



DEPARTMENT OF THE NAVY
OFFICE OF THE SECRETARY
1000 NAVY PENTAGON
WASHINGTON, DC 20350-1000


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MEMORANDUM FOR DISTRIBUTION

SUBJECT: New Department of the Navy Pay Administration Under National Security
Personnel System Interim Guidance

I have approved the release of new National Security Personnel System (NSPS) interim guidance on pay administration. This new guidance replaces the pay administration guidance released by Assistant Secretary of the Navy (Manpower and Reserve Affairs) memo of April 21, 2006. The new guidance is effective immediately and applies to all organizations and employees covered by NSPS, subject to applicable collective bargaining obligations in any instances where bargaining unit employees are in NSPS. Attachment 1 will remain in effect until the Department of Navy Final Implementing Issuances are released by the Secretary of the Navy or an additional update of the interim guidance is required. This guidance may also be modified and/or replaced by Department of Defense issuances.

If there are any questions or concerns please contact Ms. Jean Cazaubon, Associate Director, Office of Civilian Human Resources at (202) 685-6475 or email: jean.cazaubon@navy.mil; or Mr. Carlos Saavedra, Compensation Program Manager, Office of Civilian Human Resources at (202) 685-6529 or email: carlos.saavedra@navy.mil.


William A. Navas, Jr.
Assistant Secretary of the Navy
(Manpower and Reserve Affairs)

Attachment:
As stated

Distribution:
Echelon I and II Commands

Copy to:
DCPPs

DEPARTMENT OF THE NAVY

PAY ADMINISTRATION UNDER NATIONAL SECURITY PERSONNEL SYSTEM
(GENERAL)

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NSPS PAY ADMINISTRATION (GENERAL)

References: (a) Title 5, United States Code
(b) Title 5 Code of Federal Regulations
(c) DoD 1400.25-M DoD Civilian Personnel Management Manual
(d) DoD NSPS, A Manager's Guide to Establishing Pay For Employees in NSPS - May 2006
(e) DoD NSPS: Managing Compensation Under NSPS (A Guide for Managers/Supervisors) March 2007
(f) OSD Memorandum, 21 Sep 2006, Implementation of Recruitment, Relocation, and Retention Incentives
(g) Department of the Navy Student Loan Repayment Plan

Cancelled: DON Pay Administration Under National Security Personnel System (General) issued on 21 April 2006.

1. Purpose. References (a) through (c) establish the basic regulatory requirements for pay administration under the National Security Personnel System (NSPS). This document outlines the DON compensation philosophy for operating under NSPS, provides pay ranges for some of the most populous occupations covered by NSPS, and delegates authority for initial pay setting of employees and subsequent movement within pay bands as well as movement to new pay schedules and/or pay bands. Use of this document must be made in conjunction with reference to applicable United States Code (U.S.C.), Code of Federal Regulations (CFR), and DoD regulatory cites for specific application. This section applies to all organizations and employees covered by NSPS, subject to applicable collective bargaining obligations in any instances where bargaining unit employees are in NSPS.

2. Definitions. Definitions outlined in SC 1930 of reference (c) apply in the use of this instruction.

3. General Information. NSPS provides pay flexibilities that allow the DON to build and maintain a quality workforce. Proper pay management is an integral part of the DON's human capital management, thus allowing us to attract, motivate, and retain the caliber of employees required to meet our mission. The pay bands cover wide salary ranges, with minimum and maximum rates set by DoD based on national labor market factors and conditions. Currently, the DoD's primary market is with the

non-NSPS organizations and other Federal agencies. Over time, DoD and DON will look to external markets, using market data to adjust our compensation architecture as necessary. The current open pay ranges are intended to provide the pay flexibilities necessary to be more competitive in the applicable marketplace. A key factor as we embark on these new pay flexibilities is to be "competitive in the applicable marketplace" while operating under established budget parameters. For a given job, based on its occupation and location, the range of pay needed to be competitive in the applicable marketplace will typically be a subset of the full pay band. This document provides compensation models for some of the DON's most populous occupations in NSPS. These models are intended to provide a framework in which we will compensate our employees. Within the DON we will strive to manage compensation consistently across our commands and activities while maintaining the flexibility to deviate when it makes good business sense to do so. This document provides the DON philosophy, general administration, business rules, and delegations of authority to administer compensation under NSPS.

4. Responsibilities

- a. The Assistant Secretary of the Navy (Manpower and Reserve Affairs) (ASN (M&RA)) is responsible for the issuance of pay administration policy in the DON.
- b. The Deputy Assistant Secretary of the Navy (Civilian Human Resources) (DASN (CHR)) is responsible for the management and administration of the pay administration program in the DON and the issuance of directives on specific pay administration matters.
- c. The Director, Office of Civilian Human Resources (OCHR) will interpret changing statutory and regulatory guidance as it is received, prepare implementing guidance as applicable, publish a salary range framework for key occupations, and provide compensation consultancy. OCHR will update existing compensation models and issue new models consistent with this policy.
- d. The Chief of Naval Operations (CNO), the Commandant of the Marine Corps (CMC), the Assistant for Administration, the Under Secretary of the Navy (AAUSN), and the heads of Echelon I and II commands are responsible for implementing this policy within their respective organizations and establishing delegations of authority for determining employees' salaries in accordance with

the document. The authority to approve any salary adjustment, with the exception of pay actions under the pay-for-performance system, will be set at a supervisory/managerial level above the first level supervisor. (Approval of salary adjustments under the pay-for-performance system rests with the pay pool manager.)

e. Directors of Civilian Personnel Programs (DCPP) will ensure that the policies and procedures in pay administration matters within their respective commands are in compliance with this instruction.

f. Command Compensation Boards (or equivalent review body) will monitor overall Command compensation practices for effectiveness, fairness, and affordability. Each Echelon I and/or II Command will establish a Compensation Board or equivalent for this purpose. Membership of such boards will include one or more senior Human Resources professionals (e.g., Director Civilian Personnel Programs and/or OCHR Compensation Consultant) and a senior financial management professional.

g. Directors of Human Resources Service Centers (HRSCs) and Human Resources Offices (HROs) will ensure that the policies and procedures in pay administration matters are in compliance with this instruction.

The DON Compensation Governance in Appendix A further outlines the roles and responsibilities contained in this section.

5. DON Compensation Philosophy. The DON's NSPS compensation philosophy is derived from a number of sources designed to maximize flexibility in hiring and compensating employees. While recognizing individual command, geographic and financial conditions, it seeks to establish reasonable boundaries for all activities to successfully compete in the marketplace to hire and retain a high performing workforce. References (a) thru (g) serve as background and reference material in support of the terminology and concepts referred to in this document. In executing compensation in DON, we will be governed by the following principles:

- Manage compensation fairly,
- All compensation decisions will be supported by sound business reasons,
- Ensure all decisions include appropriate consideration of internal pay equity,
- Pay competitively while being mindful of our financial stewardship responsibilities, and

- Activity managers will strive to minimize the use of pay increases as a means to compete among themselves for their own talent.

The General Schedule is a primary component of our market strategy development and will be used to establish "market pay norms" in areas where the federal workforce is the primary competitor for employment talent. New positions under NSPS will be established (classified) within the appropriate pay schedule and band. Salary parameters within the pay band will be prescribed for new positions using Appendix B and the the appropriate compensation models in Appendix C as the primary framework as well as other applicable considerations. Other factors to be considered in establishing market pay norms are available market data, compensation trends/practices in other local DoD and non DoD agencies, and flexibilities necessary to hire and retain superior talent and capabilities for specifically designated occupations deemed critical in meeting our mission.

The DON compensation philosophy will normally be one of "meeting the market" vice leading or lagging the market. For some occupations and/or geographical locations, meeting the market may not be sufficient in order to obtain and retain talent; thus, "leading the market" may be necessary. Conversely, there will be situations where availability of talent is plentiful; therefore, "lagging the market" may be appropriate. Decisions to "lead" or "lag" the market should be clearly defined in the major command compensation philosophy and validated as a strategy by the Command Compensation Board. Different determinations for making lead, lag, and meet the market decisions by position title, series, geographic or other grouping are possible and probable and will allow DON to be a viable competitor in the employment marketplace. These decisions should be data driven, and fact based. Your OCHR Compensation Consultant will assist with these determinations/strategies.

Appendix C contains standard compensation design models for some of our most populous occupations in NSPS. These models cover approximately 44% of our NSPS workforce. They outline salary ranges within a pay schedule and pay band and were designed using the General Schedule as the primary market factor. DON commands and activities will use these models as a basic operating framework for setting pay and subsequent salary progression for employees in these occupations. Echelon I

and/or II commands may recommend establishing lower salary parameters within a range to manage growth within a specific range for a specific activity or command within its organization. Should circumstances warrant the need for commands to raise or lower the salary ranges for the occupations in Appendix C, proposed alternate salary ranges within the pay band will be documented and forwarded to the Office of Civilian Human Resources (OCHR) for approval via the Echelon I and/or II command. Each request will be data driven and fact based and will explain how the applicable market conditions are not fully addressed by the assigned salary range and associated Local Market Supplement. Over time command compensation boards will validate whether these modifications continue to be necessary.

In the near future, it is anticipated that standard compensation design models will be developed for all occupations with substantial numbers of employees within NSPS. For those occupations not contained in Appendix C, commands will use the most directly related comparable model in Appendix C as the framework for determining appropriate pay range subsets within the bands. If none of the existing models are appropriate then commands will use the General Schedule salary structure as the frame of reference.

Compensation decisions will support commands' ability to acquire and retain the talent necessary to carry out mission and strategic initiatives successfully while ensuring equitable treatment of all employees. Activities and commands must remain cognizant of the potential for disparate impact of compensation decisions and ensure protocols are in place to prevent unintended consequences.

6. General Administration.

a. **Compensation Strategy.** A compensation strategy defines the basic direction that an organization has chosen with regard to compensation and benefits employees receive in return for their efforts at the workplace. It is the set of choices the organization has made between "what" and "what not" to do based on the options before it.

Under NSPS, portions of the compensation strategy are already built into the system. For example, NSPS will use pay bands, incorporate pay for performance in lieu of seniority pay, and favor lateral advancement over more numerable promotions. However, NSPS provides flexibilities or choices to organizations concerning compensation. For example:

- whether performance will be rewarded based on organization, team, or individual performance;
- how much funding to apply to performance pay;
- allowing for a level of consistency in pay decisions across different segments of the organization;
- use of initial pay setting percentages;
- policy on reassignment pay.

The decisions organizations make concerning these choices will complete the overall compensation strategy for their organization.

All organizations have a compensation strategy whether written or unwritten, deliberate or ad hoc. Even when those who develop a strategy do not realize they have done so, through a series of pay decisions, a compensation strategy emerges. The benefit of a deliberately established compensation strategy is that it offers an organization the ability to:

- evaluate all the employment needs of the organization up front,
- determine which requirements have the highest priority, and
- determine which of the compensation tools or combination of compensation tools available will receive the most emphasis based on the unique requirements, culture, and budget of that organization.

A deliberately established compensation strategy, allows management to better fulfill their responsibility of ensuring:

(a) that the right people get the right pay for achieving objectives in the right way, and

(b) that they understand and are able to communicate how the pay system works and do so in ethical and fair ways.

A deliberate compensation strategy will:

- identify the basic choices management will make with regard to the flexibilities available,
- enable management to prioritize its needs for competencies within available funds, and
- help management to identify and assess the cumulative impact of its pay choices on equal employment opportunity within its organization.

On the other hand, a compensation strategy that evolves from a series of individual pay decisions may inadvertently result in an adverse impact or disparate treatment of protected groups of employees.

Echelon I and/or II commands will establish a written compensation strategy. The philosophy, business rules, and delegations of authority contained in this document will be adhered to by commands and activities. They outline the minimum thresholds that must be followed. Echelon I and/or II commands may establish greater controls within their organizations.

b. **Salary Ranges.** The NSPS compensation architecture (as described in reference (c)) consists of four Career Groups, each of which contains one or more pay schedules segmented into pay bands. Each pay band represents a rate range with minimum and maximum rates. Consistent with the DON compensation philosophy contained herein and the applicable models in Appendix C, employees' pay will normally be set and managed within salary ranges that are subsets of the pay band rate ranges.

c. **Annual Rate Adjustments.** The Secretary of Defense (SECDEF) or designee, in coordination with the Office of Personnel Management (OPM), will establish a method to adjust pay band rate ranges. In the interim, the Department will make annual adjustments to the pay band rate ranges using the Employment Cost Index (ECI) and the General Schedule as reference points. New rate ranges for all pay schedules will be effective the first pay period beginning in January of each year. New or revised ranges may also be issued with effective dates other than January, at the Department's discretion, in response to specific labor market, occupational, or other demands.

Employee eligibility for salary increases due to rate range adjustments will be in accordance with SC1930.8.1.1.3. of reference (c).

d. **Local Market Supplement (LMS)**. Pay band rate ranges may be supplemented in appropriate circumstances by LMS. SECDEF or designee, subject to 5 CFR 9901.105(d)(3), has sole and exclusive discretion to set or adjust, as needed, LMS.

LMS are additional payments to employees in specified local market areas, occupations, and/or pay bands. They are established in response to labor market conditions that are not fully addressed by pay band rate ranges. These supplements will be expressed as a percentage of base salary and will be set and adjusted as indicated in SC 1930.8.1.2.1. of reference (c).

The condition under which an employee is eligible to receive a LMS is found under SC1930.8.1.2. of reference (c). The LMS applicable to an employee is determined by the employee's occupation, pay band, and official worksite (see SC1930.8.1.2. of reference (c)).

OCHR shall approve and forward requests to the Under Secretary of Defense (Personnel & Readiness)(USD (P&R)) to implement new or adjust existing occupation-specific LMSs to address anticipated or existing recruitment and retention problems.

The organization or activity will work with their servicing HRO and/or HRSC to ensure that the request specifies the occupation(s) and pay band(s) covered, the geographic area in which the supplement applies, and the effective date, and that coordination with other DON activities in the area who would be affected by the LMS request has been made.

The request shall address staffing problems caused by –

- significantly higher non-Federal pay rates than those payable by the Federal Government within the area, location, or occupational group involved;
- the remoteness of the area or location involved;
- the undesirability of the working conditions or nature of the work involved;
- metrics that support the business case such as quit rates and declination rates; or
- any other circumstances deemed appropriate.

The HR office will submit the request to the applicable DCPD for review and endorsement. Upon endorsement, the DCPD will forward the request to OCHR, Labor and Employee Relations Division.

Organizations must consider the short and long term budget impact of such requests.

e. **Within-Grade Steps:** The step increases inherent in the General Schedule system are discontinued under NSPS. Advancing an employee's salary through the band may occur through the pay for performance system described in more detail in reference (c) and section 7.b.1. below. Otherwise, salaries may be affected as a result of reassignment or promotion actions as described in section 7.b. below.

f. **Determining Rates of Pay:** The base rate of pay is used for pay setting purposes. To determine pay entitlements, the adjusted salary (base rate of pay + LMS) will be used. The adjusted salary does not include the use of differentials for the purpose of setting pay.

g. **Authority for Selecting Pay Rates.** While a management official determines and authorizes a pay action, that official cannot promise an employee any specific pay rate. Consistent with references (a) and (b), the appointing official, as defined at section 10 below, or their designated staff members will review pay actions to ensure regulatory compliance.

7. Business Rules and Delegations of Authority.

a. **Setting Pay for New Hires.** Selecting officials may recommend salaries to the designated approving official. (Per paragraph 4.d. the approving official will be an individual above the first level supervisor.) The approving official may have authority, in accordance with Echelon I and/or II guidance, to approve salaries up to the maximum of the salary range appropriate for the position as identified in the appropriate model in Appendix C. Salary recommendations above the top of the appropriate salary range must be approved by a higher level official. In the absence of an appropriate model in Appendix C, approving officials shall use reference (d) to set pay. Generally, reference (d) allows pay to be set up to the step 10 base rate of the GS grade that is most representative of the position. Salary recommendations above step 10 must be approved by a higher level official. When setting pay, approving officials must also ensure consistency with any controls set by Echelon I and/or II commands.

Consistent with this instruction and the applicable compensation models in Appendix C, an employee's pay will be set within his or her assigned pay band, unless exceptions described in **SC1930.10.12. or SC1930.11.** of reference (c) apply.

Documentation for the new hire's pay rate determination shall be completed and maintained by the authorized management official as well as by the servicing HRSC. The pay setting worksheet contained in Appendix D shall be used for documentation purposes.

The manager should follow seven steps when establishing a base pay recommendation for a new hire (or rehire).

Step 1: Collect Background Information.

To determine the appropriate new hire base pay, the manager will first need to collect background information on the candidate and the position. The manager should:

Determine the salary range of the new position. Determine the salary range assignment of the position using the compensation models in Appendix C. In the absence of an applicable model, a directly related model in Appendix C or the General Schedule within the context of reference (d) should be used to determine an appropriate salary range within a pay band.

Assess current budget status to determine available funds.

Obtain the candidate's current pay level. Before making a salary determination, it is often valuable to understand the candidate's current salary and future expectations. If necessary, the current salary level can be validated by obtaining a copy of the candidate's most recent pay stub or W-2 statement. Private industry does not typically pay a LMS. Therefore, the base pay plus LMS must be considered when comparing a candidate's potential salary under NSPS to the private industry salary.

Identify any other job offers that the candidate has received. To understand the competitiveness of a job offer, it is helpful to determine whether the candidate has any other job offers - and their associated salary levels. To validate the information provided by the candidate, the manager may ask for copies of offer letters or equivalent (although the candidate may not always be willing to share this information).

Evaluate and quantify the applicant's current benefits package (vacation, health, life, retirement plan) in order to quantify the value of the government offer.

Compare the candidate's experience and breadth of skills as they relate to the requirements of the position.

Consider the existing salary of current employees in like positions.

Consider the use of Recruitment, Relocation, and Retention Incentives. See section 11 below for more information.

Some of this information can be collected directly from the applicant. The manager may ask the HRSC to assist in obtaining other information.

Step 2: Complete Pay Setting Worksheet.

A pay setting checklist and worksheet (Appendix D) have been developed to help managers determine starting salary. The checklist outlines the key considerations that should be reviewed when setting base pay.

By assessing a candidate on key considerations, the worksheet will help the manager determine where in the salary range a new hire's pay should fall.

The table below is provided to help define pay setting considerations. Each of the considerations listed in the table should be evaluated when making a pay recommendation.

| Considerations | Definitions of Considerations |
|------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Criticality of Competencies | Importance of the required competencies and responsibilities to this organization's and the DON's success. |
| Degree of Difficulty to Fill Vacancy | Availability of quality candidates (those with the desired competencies) to fill the position. Positions with a limited qualified applicant pool may indicate a shortage of labor and may be more difficult to fill. |
| Degree of Directly Related Work Experience or Education Versus That of | The degree of superior qualifications possessed by the candidate (job-related experience or education) compared to the qualifications or job-related experience or education of other employees (typically the immediate work group) who perform the same or |

| | |
|----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Peers | highly similar jobs. |
| Competencies versus Job Requirements | The degree to which the candidate meets some or all of the competencies desired for the position. |
| Breadth of Competencies versus That of Peers | The candidate's competencies (the degree to which the candidate meets some or all of the competencies desired for the position) compared to the competencies of other employees (typically in the immediate work group) who perform the same or highly similar jobs. |
| Current Pay Level Within the salary range | The candidate's current pay (base salary excluding local market supplement (if applicable) compared to the salary range of the position (where does the candidate's pay fall in the salary range - near the bottom, in the middle, or toward the top of the range?). |
| Other Salary Offers Compared to Pay Band | Other (verifiable, if possible) salary offers already extended to the candidate (base salary excluding local market supplements if applicable) compared to the pay band of the position. |

Step 3: Determine Base Salary. Since every candidate has strengths and weaknesses, it is common for prospective employees to receive different assessments for different positions.

Consider Local Market Supplement. Before finalizing his/her base salary recommendation, the manager should also consider the impact of the LMS on his/her offer. The LMS is paid in addition to base pay.

The actual salary of a new hire will be the recommended base pay PLUS the LMS that is associated with his or her work location or occupation. The base pay recommendation must be within the pay band. As specified in section 7.a. above, Appendix C or the General Schedule will be used as a framework when determining base salary. Base pay PLUS LMS may exceed the pay band maximum.

Before finalizing the base salary recommendation, the manager should review the pay setting checklist to assess the impact of the LMS.

Consider Entrance on Duty Date. A new hire must be in an NSPS position and approved performance plan for 90 days within a performance year in order to be eligible for a performance-based payout. The performance year normally ends

30 September. Therefore, when bringing a new hire on board between 90 days before and the last day of the appraisal period and the effective date of the annual payout (end of the first full pay period in January of the following year), the manager should take into consideration the fact that the employee will not be eligible for a performance based payout in the first year.

Consultation with Human Resources (HR). The manager may ask a representative from the servicing HRSC for assistance in completing the worksheet, ensuring that the candidate's starting salary meets the core compensation guidelines as well as Echelon I and/or II direction, and providing advice about ensuring internal equity. The HRSC representative may assist managers in reviewing the salaries of like employees (pay band, competencies, responsibilities) to ensure that the new hire's salary is in line with current workforce statistics for the individual command.

Step 4: Seek Approvals.

Once the manager has determined a recommended starting base pay, s/he shall obtain the necessary approvals.

The HRSC representative shall ensure that all necessary approvals have been obtained before processing the action.

Step 5: Paperwork is submitted to the HRSC.

Upon approval of the recommended starting salary, it is important to document the supporting pay setting worksheet information in the employee's personnel folder. The manager will forward copies of these materials to the servicing HRSC.

The completed worksheet has the manager's assessment listed on each applicable consideration. The HRSC representative shall ensure that the manager has indicated any considerations that were weighted more heavily than others. The worksheet summarizes the manager's assessment and recommendation, particularly if there are extenuating circumstances that were taken into consideration when s/he developed the salary recommendation. The manager will also maintain a copy of the worksheet for organizational documentation purposes.

Step 6: HRSC Review.

Pay determination responsibility has been delegated to managers as described at section 7.a., above. However, the HRSC representative must review the documentation provided. If the HRSC representative believes that the documentation provided does not support the recommended salary, s/he should consult with the manager to address those concerns. Every reasonable attempt will be made to jointly resolve pay setting concerns. Senior level managers identified by Echelon I and/or II commands have the authority, responsibility, and accountability for making pay determinations and for ensuring that each conforms to established guidance. Consistent with section 10 below, HRSCs have final authority/accountability for ensuring that pay determinations are regulatorily compliant and in accordance with Echelon I and II/DON/DoD guidance.

Step 7: Extending Offers

All approvals must be obtained before a final or firm offer can be extended to an applicant. Offers will be communicated in accordance with established staffing policies after all pay setting reviews and approvals are completed. HR (typically the HRSC) will extend formal job offers in accordance with local procedures.

b. Movement Within a Pay Band.

1) **Performance Management Process**. Salary progression within the compensation models/pay band will primarily be through the pay-for-performance process. Appropriate funding, within sound fiscal constraints, should provide for meaningful distinctions between rating payouts. While a forced distribution is NOT permitted under NSPS, it is a fair assumption that properly defined performance objectives, will typically yield more final ratings of 3 than 4 and more final ratings of 4 than 5. Inflated ratings result in smaller share values which do not sufficiently reward Valued Performer (Level 3) nor adequately compensate the significant contributions of Level 4 (Exceeds Expectations) and Level 5 (Role Model) individuals. In making salary progression decisions, attention will be given to Appendix B, Overarching Compensation Design Model Pay Setting and Progression Chart. Once ratings have been determined, the number of shares and share distribution (bonus and/or salary) distinctions should consider the quartile where the employee resides. It is anticipated that an activity's compensation policy will result in workforce pay clustered around the midpoint based on the need for a fully seasoned workforce (Quartile 2 and 3). Movements to Quartile 4 (Critical

Asset) salary levels should be limited to recognized experts or those high performers whose position, responsibilities, and skills constitute a true command/activity critical asset. When appropriate, activities should track their ability to keep pace with the General Schedule for Level 3 (Valued Performer) employees. This is an element of the compensation structure that should be tracked and evaluated for impact on local recruitment and retention. (Note: The pay setting and progression compensation design model contained in Appendix B has been overlayed in each of the compensation design models in Appendix C. This was done in order to emphasize the DON's overarching pay setting and salary progression under NSPS.)

2) Reassignments. In addition to the pay-for-performance process, employees may progress through a pay band through reassignments. A reassignment occurs when an employee moves, voluntarily or involuntarily, to a different position within his/her pay band or to a position in a comparable pay band on either a temporary or permanent basis. Typically, pay setting for a reassignment action results in no change in basic pay unless there are sound business reasons for pay increases. The DON does not support a series of consecutive reassignment actions for the purpose of inflating an individual's salary. There must be a sound business-related reason to grant an increase (i.e. evident and observable increase in the level of duties and responsibilities, the position is considered hard-to-fill based on previous recruitment efforts, etc.) First level supervisors may recommend reassignment salary increases to the designated approving official. Should an employee be recommended for more than one reassignment salary increase (voluntary and/or management initiated and regardless of the amount of the increase) within the same activity in a 12-month period, such increase must be elevated to a higher level management official for approval.

Circumstances when pay increases are appropriate follow:

(a) Pay will increase when an employee is reassigned from one LMS to another higher LMS in the same or different locale.

(b) When an employee is reassigned (voluntarily or involuntarily) between locality areas, pay is set on the appropriate LMS. Total compensation includes base pay plus the LMS for the new duty location, unless the individual is entitled to an occupational based LMS that is more beneficial.

In accordance with SC1930.10.4. of reference (c), an employee may receive a discretionary increase up to 5% to base pay upon reassignment. An employee who is reassigned through reduction in force (RIF) procedures, however, is not eligible for an increase to base pay, nor a reduction in pay.

A reassignment pay increase should meet the following criteria:

- The position must be considered critical to the mission of the organization; or
- The position must be considered hard-to-fill based on previous recruitment efforts, perceived undesirability of the position, or other factors that would demonstrate difficulty in filling the position with a well-qualified candidate in the absence of a reassignment pay increase; or,
- If proposed for a specific employee, the reassignment should result in an evident and observable increase in the level of duties and responsibilities, the employee must be considered well qualified for the position and must possess critical competencies that: are not prevalent in the rest of the organization; must be applied immediately; and cannot be obtained in the absence of a reassignment pay increase. This provision may include employees on formal career-broadening positions.

If any of the factors above are met, the next step in determining whether a salary increase is warranted is to consider where the employee's current salary falls in the appropriate compensation model in Appendix C or the General Schedule in the absence of an appropriate model. It may be determined that given the place where the employee's current salary falls on the salary range, s/he is already adequately compensated for the duties/responsibilities related to the new assignment. Salary recommendations above the top of the appropriate range in Appendix C must be approved by a higher (second level) designated official.

The designated management official(s) must approve all reassignment pay increases as applicable. An approval must be obtained before an offer of a reassignment pay increase can be made to the recipient.

SC1930.10.4.1.1. of reference (c) specifies that there are no limits to the number of times an employee may be reassigned;

however, an employee may only receive up to a five percent cumulative increase to base salary as the result of a voluntary non-competitive action (excluding promotions) in a 12-month period, unless an exception to the 12-month limitation is approved by an authorized management official. Within the DON, the authorized management official in these situations must be a higher (second level) designated approving official

The pay setting worksheet Appendix D described above will be used to explain and document how the selected employee meets the criteria for receipt of a reassignment pay increase. Upon approval of the recommended salary, the manager will forward these documents to the servicing HRO. The management official shall maintain a copy for documentation purposes. Appendix D will be used to document those instances where no pay increase is given.

Upon receipt, the HRO representative shall review the documentation provided. If the HRO representative believes that documentation provided does not support the recommended reassignment salary, s/he should consult with the manager to address those concerns. If after consultation the HRO representative strongly believes that the documentation is still not in line with the established pay, s/he should elevate concerns to their HR manager. This process will not be used if the documentation supports the recommended salary but the HR representative simply disagrees with the amount. Every reasonable attempt will be made to jointly resolve pay setting concerns. Designated approving officials have the ultimate authority, responsibility, and accountability for making pay determinations and for ensuring that each conforms to established guidance. Following review, the HRO will forward the documentation to the HRSC. The HRSC will also maintain a copy of Appendix D.

On a quarterly basis, Compensation Boards should review all approved reassignment pay increases to monitor overall use and trends.

c. Promotions. Inherent under NSPS is increased management flexibility and discretion in setting the amount of promotion increases. Upon promotion (as defined in SC1930.10.5. of reference (c)), an employee will receive an increase of six percent unless a higher increase is necessary to raise the

employee's salary to the minimum salary of the new band. In no situation may an employee's salary be established lower than the minimum salary established for the new band.

Managers may authorize increases higher than six percent. The authorized management official may approve an increase of up to 20%, but may not exceed the maximum rate of the new rate range. Selecting officials may recommend promotion salaries to the designated approving official who have the authority, in accordance with Echelon I and/or II guidance, to approve promotions up to 20%. A higher (second level) designated approving official must approve an increase greater than 20%, unless the increase is needed to set the employee's pay at the minimum rate of the newly assigned pay band. All promotions must be fully documented.

Pay determinations should be consistent with the compensation models in Appendix C, or the General Schedule under reference (d) in the absence of an appropriate model. Other factors that may be considered in setting the amount will include, but are not limited to:

- The employee's directly related experience; the employee's current salary;

- The relationship to salaries of other similarly qualified employees;

- The critical nature of the position; and

- Long term costs of the promotion increase and resulting multi-year implications.

The employee's basic pay (without LMS (if any)) will be used in determining the amount of the promotion increase and in setting the employee's adjusted pay in the higher band.

Documentation, based on criteria cited above, for determinations of promotion pay increases shall be forwarded to the HRSC. The pay setting worksheet, Appendix D, will be used for documentation purposes.

The HRSC must ensure that all required approvals have been obtained prior to authorizing promotion actions. The appointing official shall also maintain that documentation.

d. Reduction in Pay Band. A reduction in band occurs when an employee moves, voluntarily or involuntarily, to a position in a lower pay band. In NSPS, employees may be eligible for an increase to base pay upon reduction in band as described in SC1930.10.6 of reference (c). An employee who is reduced in band through RIF procedures is not eligible for an increase to base pay.

When an employee voluntarily moves to a lower pay band, the authorized management official may decrease or increase the employee's pay, but must set the employee's pay within the assigned pay band. An increase in basic pay may be up to 5% of the employee's current basic pay (not to exceed the maximum of the rate range). This 5% increase is discretionary, and factors used to consider setting the amount will include, but are not limited to: the employee's directly related experience; the employee's current salary; the relationship to salaries of other similarly qualified employees; and other pertinent factors. The authorized approving official must be higher than the immediate supervisor.

There are no limits to the number of times an employee may be voluntarily reduced in band; however, an employee may only receive up to a 5% cumulative increase to base pay as the result of a non-competitive action in a 12-month period, unless an exception to the 5% limitation is approved. The approving official in these situations must be a higher (second level) designated approving official. The pay setting worksheet, Appendix D, shall be used in the same manner as for all other pay setting actions to document increases, decreases, or no change in pay.

When an employee is involuntarily moved to a lower pay band through adverse action procedures (as a result of poor performance or misconduct), the authorized management official may reduce the employee's rate of basic pay by up to 10%. The reduction cannot cause an employee's basic pay to fall below the minimum rate of the employee's new pay band or exceed 10% unless a larger reduction is needed to place the employee at the maximum rate of the lower band. An employee's pay may not be reduced more than once in a 12-month period based on unacceptable performance, conduct, or both.

e. Between Pay Systems. When an employee moves in or out of the NSPS pay system, pay is set using the appropriate pay setting directives for the pay system the employee is moving to. Upon placement into the General Schedule or Federal Wage System,

consider whether the employee is also due a within-grade-increase under the directives of that pay system.

When an employee moves from NSPS to a position under another alternative personnel system (DoD labs, for example), pay is set in accordance with the pay setting provisions outlined in the applicable Federal Register for that system. The applicable Federal Register and related operating procedures outline specific authorities to set pay for employees who enter that alternative system.

f. Within Grade Increase (WGI) Adjustment. A DoD employee who is placed in an NSPS position from the GS through the DoD Priority Placement Program (PPP) or Reemployment Priority List (RPL) is entitled to the WGI adjustment described in SC1911.4.5. of reference (c) unless the employee previously received a WGI adjustment as a result of NSPS conversion.

g. Expiration or Termination of a Temporary Promotion. Upon expiration or termination of a temporary promotion, the employee's pay will be set at the same rate the employee received prior to the temporary promotion, with appropriate adjustments for pay increases (i.e., rate range increases, performance payout, etc.) that occurred during the time the employee was assigned to the temporary position.

h. Expiration or Termination of a Temporary Reassignment. Upon expiration or termination of a temporary reassignment which resulted in a pay increase, the employee's pay will be set at the same rate the employee received prior to the temporary reassignment, with appropriate adjustments for pay increases (i.e., rate range increases, performance payouts, etc.) that occurred during the time the employee was assigned to the temporary position.

i. Failure to Successfully Complete an In-Service (i.e. supervisory) Probationary Period. An employee who fails to complete an in-service probationary period will be returned to a position and rate of pay comparable to the position and rate of pay s/he held before the probationary period, with appropriate adjustments for any pay increases (i.e., rate range increases, performance payout, etc.) that may have occurred during the time the employee was assigned to the supervisory position.

8. Pay retention.

Pay retention prevents a reduction in base pay that would otherwise occur by temporarily, NTE 104 weeks, preserving the employee's former rate of base pay when this rate exceeds the maximum rate of the employee's new pay band.

Pay retention will be granted in the manner prescribed under SC1930.11. of reference (c). Under the NSPS, an employee on retained pay who is repromoted to the pay band (or a comparable band) from which reduced is not automatically entitled to have his/her pay set IAW the normal promotion rules described in SC1930.10.5. of reference (c). The DON, however, shall carry out the following procedure to determine the base pay entitlement for employees on pay retention when repromoted to the pay band (or a comparable band) from which reduced.

If the employee's existing payable rate of base pay before promotion is a retained rate, apply the standard promotion rules described in SC1930.10.5. of reference (c) to the maximum base rate of pay for the pay band from which promoted. If the payable rate of base pay after promotion determined under SC1930.10.5. is greater than the employee's existing retained rate, the employee is entitled to that payable rate.

If the existing retained rate is greater than the rate determined under SC1930.10.5., the retained rate is used to set pay within the rate range for the position after promotion. If the retained rate exceeds the range maximum after promotion, the employee continues on pay retention.

Otherwise, in accordance with SC1930.11.7. of reference (c), an employee who is promoted to a higher pay band than the one from which s/he was reduced in band will be covered by the promotion rules described in SC1930.10.5. The employee's retained rate of base pay will be used when calculating the six percent (or higher) increase.

Upon determination of the basic promotion entitlement, managers may authorize higher increases. The authorized management official may approve an increase of up to 20% of the employee's retained rate of pay, but may not exceed the maximum rate of the new rate range. Selecting officials may recommend promotion salaries to the designated approving official who has the authority, in accordance with Echelon I and/or II guidance, to approve promotions up to 20%. A higher (second level) designated approving official must approve an increase greater than 20%, unless the increase is needed to set the employee's pay at the minimum rate of the newly assigned pay band. Pay

determinations should be consistent with the compensation models in Appendix C, or the General Schedule within the context of reference (d) in the absence of a model. As in regular promotion actions, factors that may be considered in setting the amount will include, but are not limited to:

The employee's directly related experience; the employee's current salary;

The relationship to salaries of other similarly qualified employees; and

The critical nature of the position.

The employee's base pay (without local market supplement (if any)) will be used in determining the amount of the promotion increase and in setting the employee's adjusted pay in the higher band.

Documentation, based on criteria cited above, for determinations of promotion pay increases or retained rate entitlement shall be forwarded to the HRSC. The pay setting worksheet, Appendix D, will be used for documentation purposes.

The HRSC must ensure that all required approvals have been obtained prior to forwarding promotion actions for processing. The HRSC shall maintain that documentation.

9. DON Interns and Trainees Under NSPS. Intern and trainee positions may be established within the following Career Groups and Pay Schedules. Positions will be classified in Pay Band 1, Entry/Developmental Work in:

- Standard Career Group - Professional/Analytical Pay Schedule
- Scientific and Engineering Career Group - Professional Pay Schedule
- Medical Career Group - Professional Pay Schedule
- Investigative and Protective Services Career Group - Investigative Pay Schedule

A newly hired employee in a training program may have his/her pay set within pay band 1 using the compensation model in Appendix C. When setting a new employee's base pay, a manager must take into consideration the candidate's education and grade point average, directly related work experience, qualifications of the individual, labor market, scarcity of candidates, other

job offers the candidate may have received, and the potential increase in base pay as the employee is moved through the pay band, etc. All pay decisions will be fully documented and made a matter of record. The pay setting worksheet will be used for documentation purposes. Selecting officials may recommend pay for newly hired interns/trainees to the designated approving official. This approving official will have authority to approve salaries at the minimum of Pay Band 1, up to the maximum of the salary range appropriate for the position as identified in Appendix C. Salary recommendations above the top of the appropriate salary range must be approved by a higher (second level) designated management official.

Interns/trainees are assigned work designed to provide the competencies that will prepare them to perform work at pay band level 2 (full-performance/journey level). Pay Band 1 is not considered full-performance/journey level. Employees who have acquired the experience required to perform at the journeyman level will be promoted and assigned to positions in Pay Band 2. Covered employees will remain in Pay Band level 1 until they complete all the requirements in their training plan or graduate from the intern program, and show the potential to perform at the full performance/journey level of the occupation.

a. **Increasing an Employee's Pay in Pay Band 1.** The designated authorizing management official may approve a rating official's recommendation to increase an employee's base salary commensurate with assignment of more complex developmental work within pay band 1 using the Accelerated Compensation for Development Positions (ACDP) in accordance with SC1930.9.10. of reference (c). ACDP is an increase to an employee's base salary, payment in bonuses, or a combination of these that may be provided to employees participating in predefined DON developmental programs in pay band 1.

The decision to grant the ACDP is entirely at the discretion of management. Employees must have achieved an overall summary rating of level 3 or supervisory certification that they have met or exceeded their developmental objectives, achieved specified training requirements including competencies, completed scheduled rotational assignments, etc., to be eligible for the ACDP. The ACDP payment is in addition to the annual performance payout and should be consistent with merit systems principles.

ACDP increases should be sized so that the individual is situated to be promoted into Pay Band 2 at a rate of pay in the

1st or 2nd quartile (Appendix C) of the salary range for comparable positions. Exceptions are appropriate only if the employee has a wealth of experience and education above the norm for ACDP employees and is ready to perform the kind and difficulty of work expected of employees who are compensated in the upper portion of the salary range. First level supervisors may recommend ACDP salary increases in Pay Band 1 to the designated approving official. This approving official may be delegated authority, in accordance with Echelon I and/or II guidance, to approve salary increases up to 20% of base pay. A higher (second level) official will approve ACDP above 20%.

b. ACDP Options:

- Supervisors may recommend increases from 6% to 20% in base pay. Historically, developmental promotions under the General Schedule have ranged from 14% to 17%. However, NSPS provides new flexibilities to design a compensation approach that is competitive and affordable through the use of different starting salaries, more frequent pay increases, and more modest pay increases as appropriate.
- To establish the ACDP monetary value, management will take the difference between a projected full performance level base salary for the position being filled and the employee's estimated or actual starting base salary. This amount is then divided by the time (e.g., 2 or 3 years) necessary to reach the full performance level as specified in the applicable formal training plan. This process provides the amount that should be targeted for managing ACDP pay increases. These increases, usually as salary increases, may be paid to coincide with the employee's anniversary date, in increments based on accomplished milestones or in conjunction with the annual performance payout. The projected full performance level base salary may be proportionally increased if the bottom of the rate range is increased during the developmental period.
- Combination of both.

c. Setting Pay for Promotions. An authorized management official may approve a promotion from pay band 1 to pay band 2 for an intern or trainee who has achieved the desired training objectives and has acquired the experience required to perform at the journeyman level. For promotion, an employee's base salary may be increased from 6% up to 20%, with the desired range between 6% and 12% and not to exceed the maximum rate of

pay band 2. As indicated above, salaries for interns or trainees being promoted should normally fall with the 1st or 2nd quartiles of the applicable models in Appendix C. First level supervisors may recommend ACDP promotions to Pay Band 2 to the designated approving official who has authority to approve promotions up to 20% of base pay. Any increase higher than 20% must be approved by a higher (second level) approving official (unless the increase is needed to set the employee's pay at the minimum rate of the newly assigned pay band) and based on specific factors that warrant such an increase. Such factors may include the competencies achieved, employees in the unit performing similar type work, expected contribution to the mission, etc. All pay decisions that increase pay must be fully documented using the pay setting worksheet (Appendix D) and made a matter of record.

d. Performance Management. Interns/trainees will follow the standard NSPS appraisal period of October 1 through September 30 each year. There will be one rating of record for each rating cycle although there may be more than one increase to the intern's base salary as a result of increases under the ACDP. The ACDP payment is in addition to the annual performance payout. The decision to grant the ACDP is entirely at the discretion of management. The conditions for payment of the ACDP should be consistent with merit systems principles.

The ACDP is awarded to recognize that the employee has acquired the set of predefined job-related competencies in a timely manner through prescribed training, rotational assignments, and on-the-job experience, which demonstrate successful performance. The employee's supervisor must document in writing that the employee has completed the training and job assignments required in his/her performance plan, or if not completed through no fault of the employee, when the objectives will be completed and if an ACDP increase is recommended or should be delayed. Employees may be awarded the ACDP at any time during the appraisal period or in conjunction with the annual appraisal payout.

e. Aligning Performance Expectations and Training Requirements with Organizational Strategic Goals.

Supervisors will establish employee performance objectives that directly align to the organization's strategic goals and mission. Performance objectives for interns/trainees will consist of the master intern training plan and/or any on-the-job training experiences planned for the fiscal year. When

communicating performance objectives to interns/trainees, supervisors will fully explain the relationship between an intern's performance objectives and training requirements to achieving organizational goals and objectives and ultimately on the mission accomplishment.

f. Unsuccessful Performance.

An intern or trainee (i.e., Level 1) with a current rating of Unsuccessful is not eligible to receive a pay increase associated with a rate range adjustment, local market supplement or performance payout. If the intern/trainee is in a probationary period, serious consideration must be given to the suitability of the employee for continued government employment. If the employee is not in a probationary period, serious consideration must be given to determine if the employee should be allowed to remain in the internship position.

10. Authority for Pay Setting. A management official determines and approves use of organizational funds for requested pay actions. Accordingly, they have authority, responsibility, and accountability for making pay determinations and for ensuring that each is regulatorily compliant and in accordance with Echelon I and II/DON/DoD guidance. Authority to authorize the pay action rests with appointing officials, typically a representative at the HRSC. The appointing official is the officer with the authority to certify the Requested Personnel Action (RPA), or the Notice of Personnel Action (NPA). While the manager will maintain required documentation for all applicable pay actions, the appointing official is responsible to provide, when required for review, said documentation, which supported the certification and processing of the pay action. Unless there are obvious regulatory discrepancies or inconsistencies with Echelon I and/or II, DON, or DoD guidance, it is not intended that the HRSC will challenge the pay determination since the documentation forwarded with the pay action request provides the vetted authorization and required approvals. Appointing officials are expected to consult with management and raise to appropriate levels any pay setting practices, while permitted by regulation, are unfair, potentially discriminatory, or violate good business practices.

11. Recruitment, Relocation, and Retention Incentives.

Management officials are authorized to use a variety of incentives to attract, recruit, and retain critical personnel for hard-to-fill-positions. The incentives available may include, but are not limited to, recruitment and relocation

bonuses, retention allowances, and student loan repayment. The proper uses of these incentives are covered under references (c), (d), (f) and (g).

These payments are designed to provide a monetary incentive for an individual or group to accept employment or remain employed in the DON in a current position(s). These incentives shall be considered when making pay setting decisions. Echelon I and/or II commands (or their Command Compensation Boards) should establish business rules for use of these authorities. First line supervisors may recommend the most appropriate incentive to the designated approving official.

12. Total Compensation. Total compensation includes all forms of cash (e.g. salary, bonuses, incentives, etc.) and the dollar value associated with benefits (health and life insurance, paid annual and sick leave, Thrift Savings Plan, etc.) Currently, the dollar value of the federal benefits package is estimated at 35% of base pay. The NSPS compensation program affords managers flexibility in setting pay. In addition to discussing direct salary with applicants, it is also important to explain indirect salary (benefits) that the federal government provides. The total compensation package should be used as a competitive recruitment tool. Appendix E contains helpful information regarding the value of federal benefits and is provided as an aide for compensation discussions with applicants.

13. Compliance with Freedom of Information Act (FOIA) and the Privacy Act

Because documentation of every pay setting action may be subject to public release, each FOIA or Privacy Act request will be treated individually. Releasability depends on the established routine uses of the records. There are exceptions to the Privacy Act for EEO, grievance, or similar processes. When documenting decisions, managers should keep in mind that documents should be written with clarity and specificity.

14. Premium Pay. Premium pay is an entitlement to civilian employees who perform their scheduled duties on overtime, night shifts, Sundays, holidays, standby duty and administratively uncontrollable work schedules. SC1930.13. - SC1930.25. of reference (c) prescribes the manner in which employees covered by the Fair Labor Standards Act (FLSA) and exempted from FLSA receive premium pay.

15. Pay for Duty Involving Physical Hardship or Hazard. The DON shall pay differentials for duty involving unusual physical hardship or hazard to employees by applying occupational safety and health standards consistent with the permissible exposure limit (PEL) promulgated by the Secretary of Labor under the Occupational Safety and Health Act of 1970 as published in title 29, Code of Federal Regulations, Subtitle B, Chapter XVII or, in the absence of a PEL issued by the Secretary of Labor, threshold exposure criteria promulgated by the USD(P&R) or his designee. SC1930.25 of reference (c) establishes the approved hazard categories and associated differentials.

Payment of hazard pay differential must comply with SC1930.25. of reference (c). Requests to establish new categories and/or rates shall be made in accordance to SC1930.25.2.2. of reference (c) and submitted by the HRO through the applicable DCPD to OCHR. Upon approval, OCHR will endorse and forward the request to USD (P&R).

16. Severance Pay. Under 5 U.S.C. 5595 and 5 CFR 550.701 - 550.714, severance pay is authorized to an involuntarily separated employee provided the employee did not refuse an offer to a position that is (1) in the same commuting area, (2) in the same agency, and (3) no more than two grades lower than the employee's current grade level. In addition, the employee must have been employed for at least 12 continuous months, and cannot be eligible for an immediate annuity as a Federal employee or as a retired member of the armed forces. The employee also cannot be receiving any type of injury compensation benefits.

Under the severance pay provisions a *Reasonable Offer* means the offer of a position that meets all the following conditions:

- (a) The offer is in writing;
- (b) The employee meets established qualification requirements;
and
- (c) The offered position is-
 - (1) In the employee's agency, including an agency to which the employee is transferred with his or her function in a transfer of functions between agencies;
 - (2) Within the employee's commuting area, unless geographic mobility is a condition of employment;
 - (3) Of equal or greater tenure and with the same work schedule (part-time or full-time); and

(4) Not lower than two grade or pay levels below the employee's current grade or pay level, without consideration of grade or pay retention under 5 CFR 536 or other authority. In movements between pay schedules or pay systems, the representative rate of the offered position must not be lower than the representative rate of the grade or pay level that is two grades below the grade of the current position on the same pay schedule as the current position.

The new pay regulations issued in May of 2005 to implement section 301 of the Federal Workforce Flexibility Act of 2004 (Public Law 108-411, October 30, 2004), revised the definition of representative rate used for severance pay determinations when determining what is a "reasonable offer".

The new definition at 5 CFR 536.103 states in item (2) under the definition of "Representative rate": "For the purpose of comparing grades or levels of work in making reasonable offer determinations when one of the grades or levels of work is not under a covered pay system and after applying any applicable geographic conversion rules under section 536.105(b) for positions with different worksites--(iii) The maximum payable rate of basic pay that applies to the grade or level of work in the case of positions not covered by (2)(i) or (ii) [GS or FWS] of this definition. In the case of a position with a single rate under such a schedule, the single rate of basic pay for that position is the representative rate."

Under NSPS a "pay band" equates to "pay level". When an employee is offered a position that is not more than two pay bands below his or her position in the same pay schedule, this would be a reasonable offer for severance pay purposes. For example, for employees in the YA, YD, YH, and YK pay schedules, any offer within the same pay schedule would be a reasonable offer, because no pay band on those schedules is more than two bands below the highest pay band on the schedule.

For employees who are being offered a position in another pay schedule, a determination will first need to be made as to what would be two pay bands lower in their current schedule. Then the maximum rate of that pay band is compared to the maximum rate of the pay band in the pay schedule assigned to the position being offered. If the maximum rate in the offered position is higher, it is a reasonable offer for severance pay purposes. If not, the offer is not reasonable and the employee would be entitled to severance pay if he/she declined the offer.

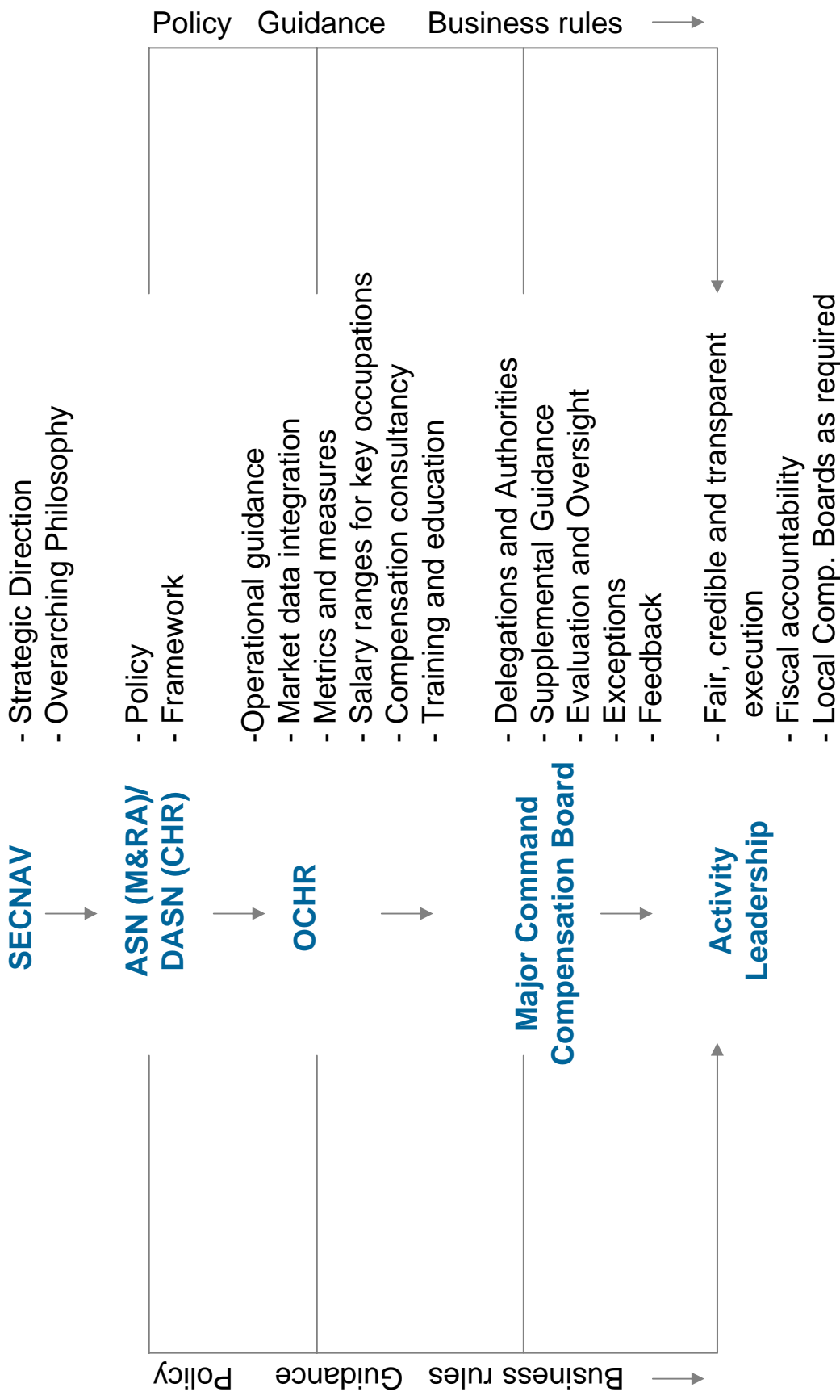
17. Action. Commanders, Commanding Officers, Heads of Commands and activities, Officers-in-Charge, managers and supervisors with NSPS responsibilities shall take necessary actions to implement the provisions detailed in this subchapter.

Appendices

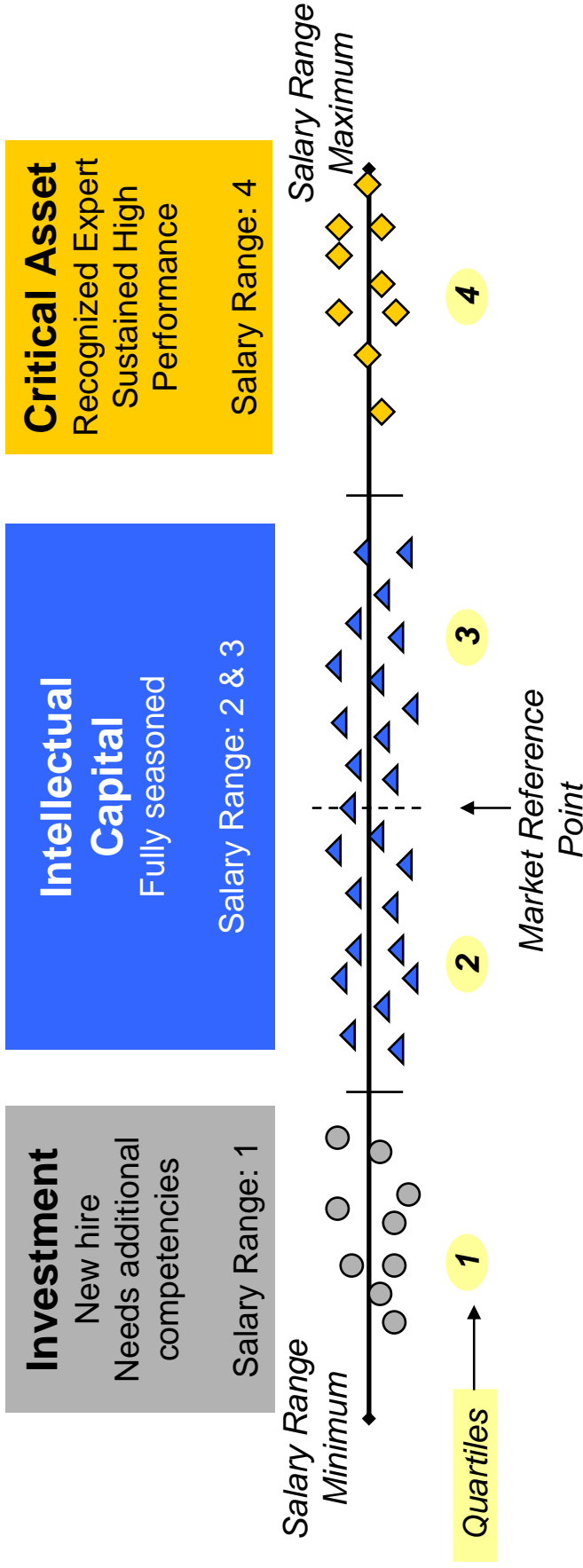
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DON Compensation Governance



Compensation Design Model: Pay Setting & Progression



The majority of employees are typically in the 2nd or 3rd quartiles of the salary range

Note: The Salary Range refers to the subset of the pay band identified for a particular kind of work. Salary ranges are currently based largely on legacy GS grades. As our compensation capability matures, a market component will be incorporated into the process for determining salary ranges.

How to Use the Compensation Models

The models provide a framework for thinking about and making good lifecycle compensation decisions. The models help you integrate the value of the position, the skills and competencies of the employee or candidate, the performance of the employee or candidate, and pay equity in order to make informed decisions.

The models are not a set of can's and can not's. There are no pre-set conditions, such as minimum timeframes or particular performance ratings, for moving from one phase of a salary range to another phase; or for moving to higher salary range. There are no fixed control points. The models provide some 'stop and think' points and suggest some do's and don'ts.

The models will also aid in managing employee expectations. All positions have a value to the organization. That value determines a salary range for compensating employees performing that position. Normally an employee's salary will not exceed the salary range for the position regardless of performance.

You need to remember that we inherited everyone's existing salary when we converted employees to NSPS. Current salaries do not align with the models. Correcting and adjusting salaries into a coherent compensation structure is a journey that will take at least several years.

The **first step** in using the models is to understand the value of a position and assign it to a salary range. The assigned salary range provides the boundaries within which you should normally compensate an employee for performing the duties of the position.

The value of the position is a management determination that considers such factors as the importance to the mission, budget, the difficulty of the work, the learning curve for new employees, attrition rates, the availability of qualified candidates, and similarly situated positions. Assessing these variables helps you determine the value of the position and select the appropriate range for compensating the position.

The **second step** is to assess the skills and competencies and performance of the employee or candidate to determine which phase of the salary range most accurately reflects their portfolio of skills and performance. Within **each** salary range there are three phases:

Investment – The phase where an individual is acquiring and developing new skills required to perform the assigned position; or in the case of higher salary ranges within the pay band, refining or expanding competencies in order to be highly productive.

Intellectual Capital – The phase where competencies and performance are fully seasoned and the individual is capable of performing the full range of duties independently. Normally the largest portion of the work force should be found here.

Critical Asset – The phase where competencies and performance are unique or far exceed the norm expected; or the competencies possessed by the individual are so critical to the mission or so hard to replace that losing the individual has both an immediate and long term impact on the mission.

The first two steps lead you to a tentative compensation decision. The **third step** in making your compensation decision is to consider pay equity. You need to assess the compensation of similarly situated employees and how your proposed compensation 'fits in' to your existing compensation pattern. You are not bound by what other employees earn, but need to consider it. You have to consider work unit morale. Sometimes you need to pay more because market conditions have changed, you have a critical need, or you have identified an extraordinary candidate. The key is having sound business reasons for making your decision that take into account the impact on that decision on the current work force and its existing salary structure.

These three steps apply to new hires. Setting pay is part science and part art. The three steps will identify about how much you should pay. You may also need to consider other factors such as how much a candidate currently earns, whether a candidate is relocating, how badly you want the candidate, and what you can afford.

The three steps also work with promotions and reassignments, subject to the limits for these actions.

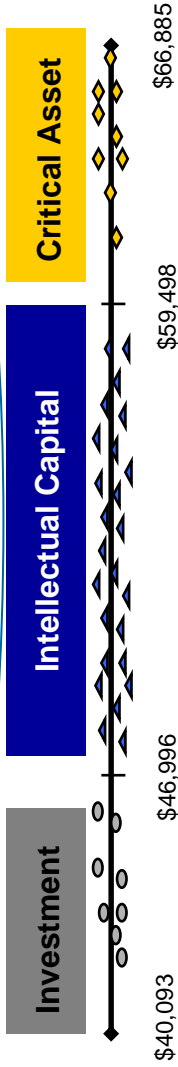
The models can also add substantial value to the pay pool process. The model framework will help you make decisions on how to distribute performance payouts between salary and bonus. You can decelerate the pay progression of employees who are too high in a salary range or above the salary range based on their portfolio of skills and performance. You can also accelerate the pay progression for employees who are out performing their current compensation and have demonstrated that their competencies and performance warrant progression to a higher phase of the salary range – i.e. from investment to intellectual capital or from intellectual capital to critical asset.

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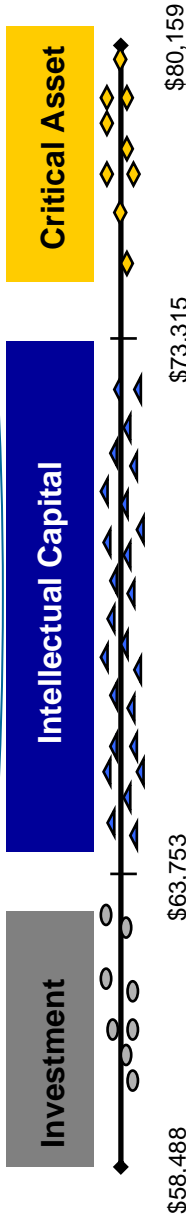
Safety and Occupational Health Specialists

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| \$40,093 | Professional/Analytical YA 2 | \$91,801 |
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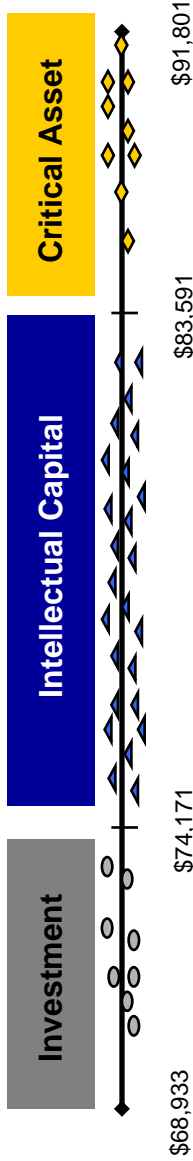
Salary Range 1: Plans, organizes & advises on a comprehensive safety & occupational health program. Inspects facilities, equipment & operations detecting hazards & recommending measures to eliminate.



Salary Range 2: Manages a safety & occupational health program. Evaluates & advises on a wide variety of hazardous operations. Consults & serves on incident boards evaluating accident data for trends, risk assessment & develops control measures.



Salary Range 3: Manages a safety & occupational health program conducting comprehensive inspections & enforcement over a large, complex organization with high risk operations

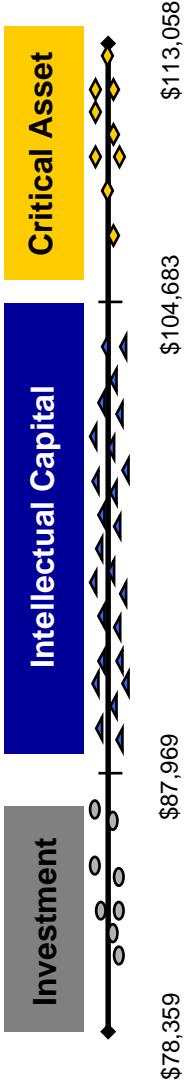


Base Salary ranges, excluding
Local Market Supplements (LMS)

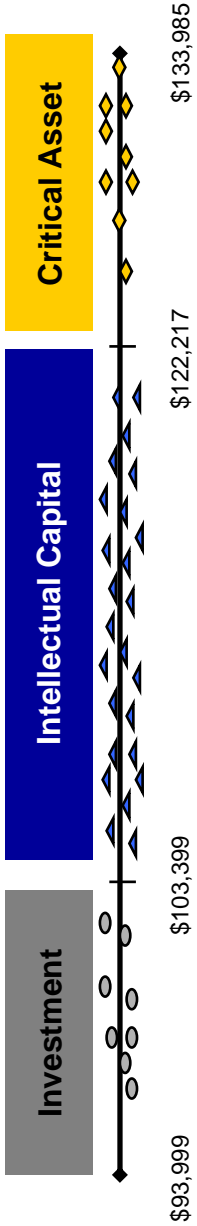
Safety and Occupational Health Specialists

| | | |
|----------|------------------------------|-----------|
| \$78,359 | Professional/Analytical YA 3 | \$133,985 |
|----------|------------------------------|-----------|

Salary Range 1: Manages a regional program employing thousands of employees performing high hazard/risk operations. Develops contingency plans due to occupational catastrophes & fatalities. Evaluates programs & makes recommendations to major command/DON level.



Salary Range 2: Serves as a project/program manager responsible for evaluating the efficiency & effectiveness of safety & occupational health programs throughout DON.

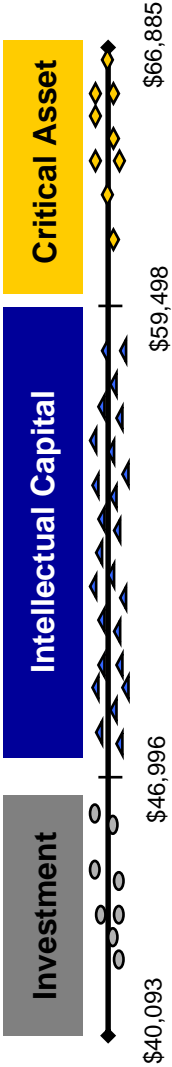


YA-0080-2

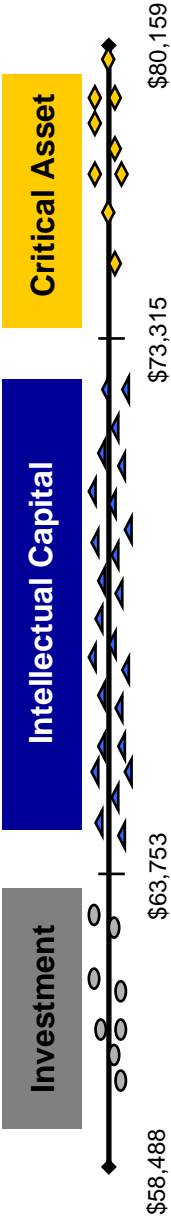
Security Administration

| | | |
|-----------------|-------------------------------------|-----------------|
| \$40,093 | Professional/Analytical YA 2 | \$91,801 |
|-----------------|-------------------------------------|-----------------|

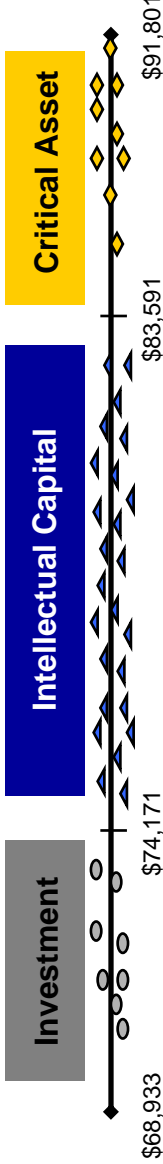
Salary Range 1: Basic knowledge of security principles, practices & methods to perform structured, routine assignments.



Salary Range 2: Independently determines security practices & techniques to perform difficult & complex security problems. Assignments require knowledge of broad range of security specializations & in-depth knowledge in at least one area of security specialties.



Salary Range 3: Expert in one or more security specializations. Assignments are very difficult requiring innovative solutions. Advises management officials in security matters.



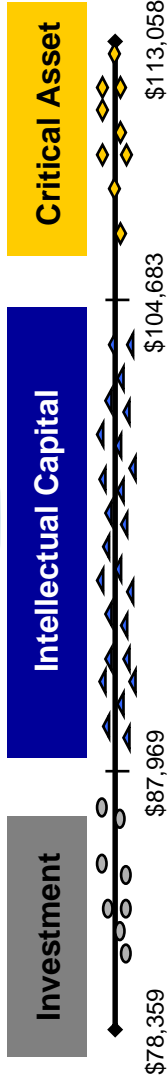
Base Salary ranges, excluding
Local Market Supplements (LMS)

YA-0080-3

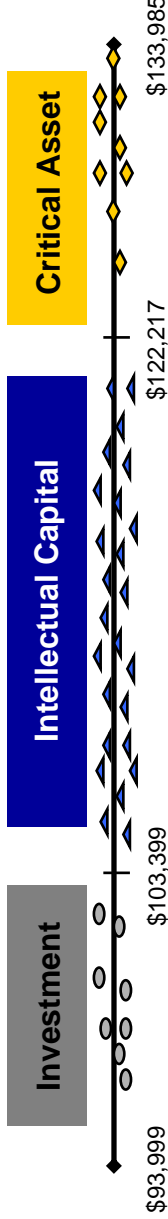
Security Administration

| | | |
|-----------------|-------------------------------------|------------------|
| \$78,359 | Professional/Analytical YA 3 | \$133,985 |
|-----------------|-------------------------------------|------------------|

Salary Range 1: Advanced knowledge of security principles, practices, concepts & methods sufficient to be a technical authority on new theories & developments in a field of security for a major command.



Salary Range 2: Serves as a project/program manager responsible for evaluating the efficiency & effectiveness of security programs throughout the DON.

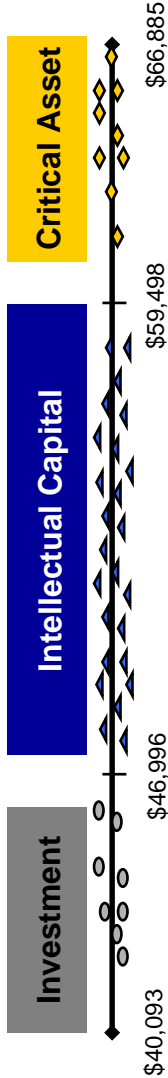


YA-0101-2

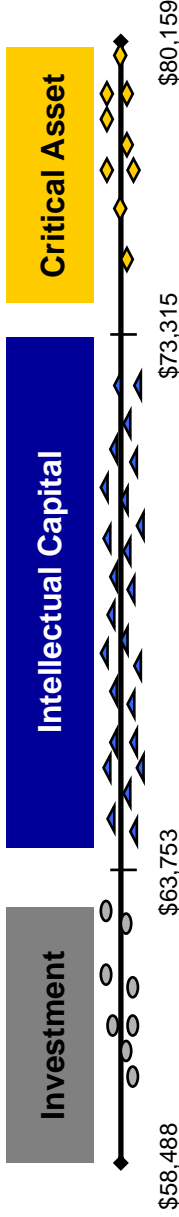
Social Science Specialists

| | | |
|-----------------|-------------------------------------|-----------------|
| \$40,093 | Professional/Analytical YA 2 | \$91,801 |
|-----------------|-------------------------------------|-----------------|

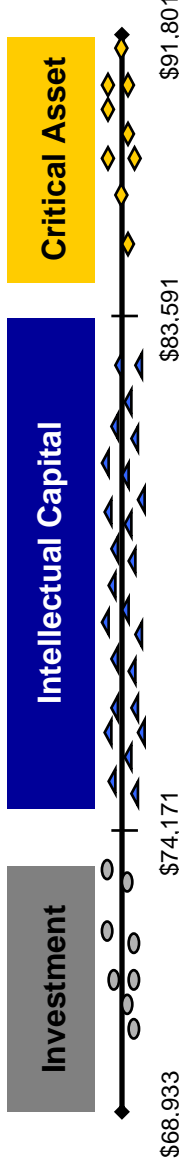
Salary Range 1: Knows fundamental concepts, practices & procedures of particular field of specialization.



Salary Range 2: Possesses & applies a broad knowledge of principles, practices & procedures of particular field of specialization to the completion of moderately difficult assignments.



Salary Range 3: Possesses & applies comprehensive knowledge of particular field of specialization to the completion of difficult assignments.

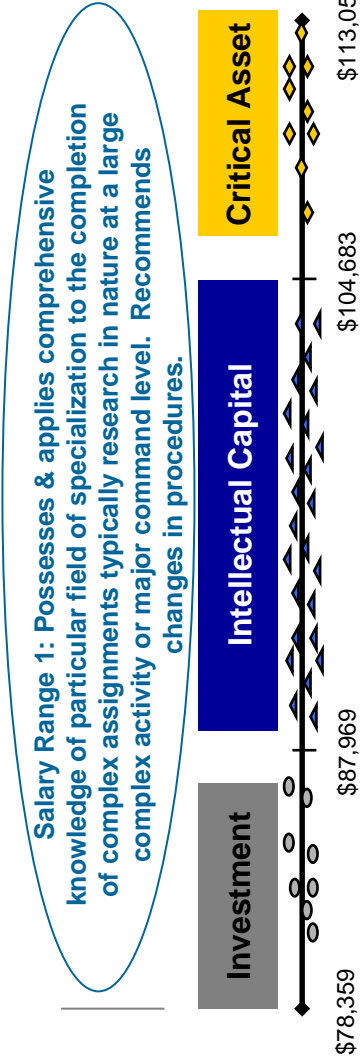


Base Salary ranges, excluding
Local Market Supplements (LMS)

YA-0101-3

Social Science Specialists

| | | |
|------------------|-------------------------------------|------------------|
| \$778,359 | Professional/Analytical YA 3 | \$133,985 |
|------------------|-------------------------------------|------------------|



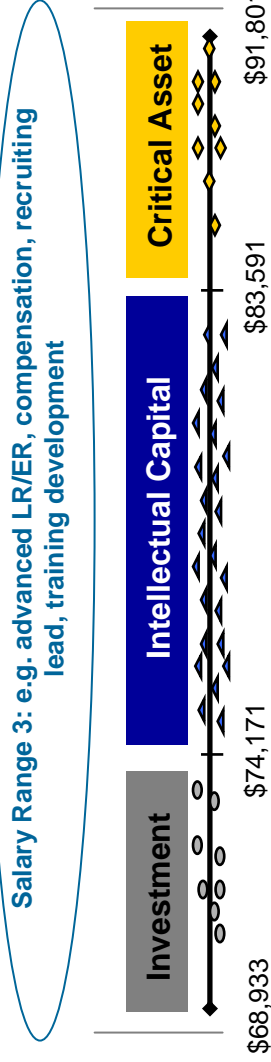
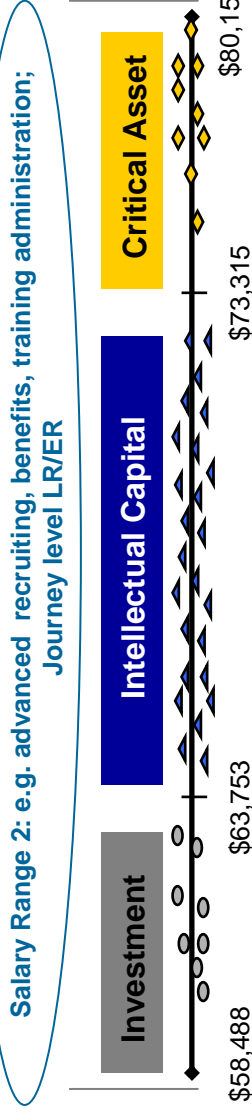
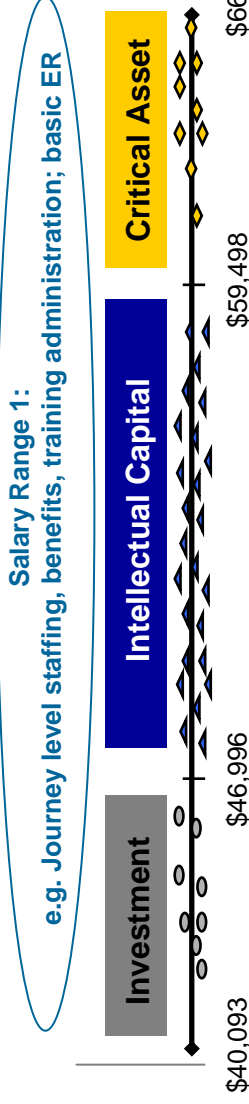
YA-201-2

Human Resources Professional

\$40,093

Professional/Analytical YA 2

\$91,801



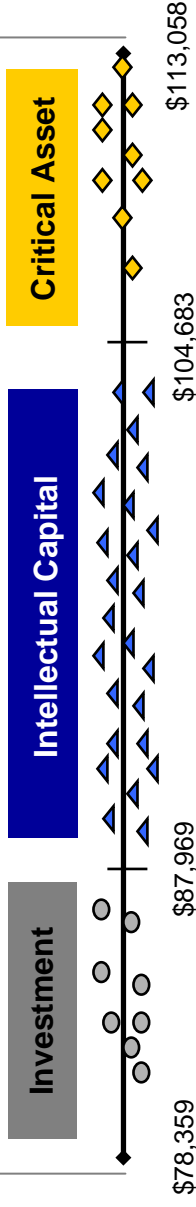
Base Salary ranges, excluding
Local Market Supplements (LMS)

YA-201-3

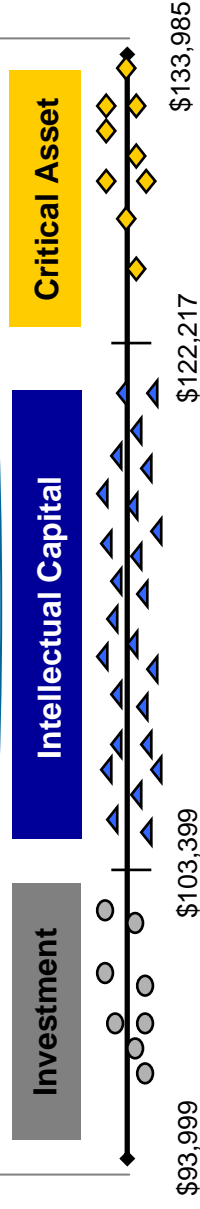
Human Resources Professional

| | | |
|-----------------|-------------------------------------|------------------|
| \$78,359 | Professional/Analytical YA 3 | \$133,985 |
|-----------------|-------------------------------------|------------------|

Salary Range 1: e.g. Program Mgr/SME at OCHR, major Echelon I/II
command or equivalent level



Salary Range 2: e.g. officials responsible for oversight of multiple
programs/initiatives at DON HQ or major Echelon II command



YA-343-2

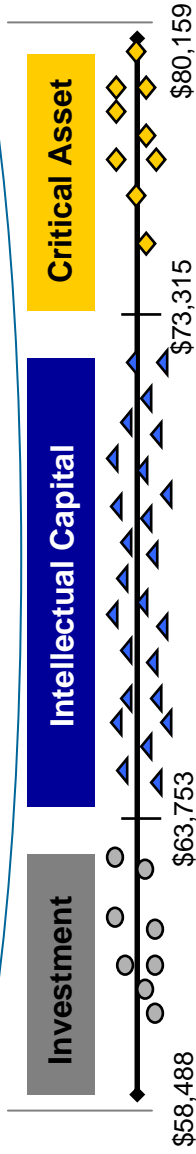
Professional/Analytical

| | | |
|----------|------------------------------|----------|
| \$40,093 | Professional/Analytical YA 2 | \$91,801 |
|----------|------------------------------|----------|

Salary Range 1: Performs established analytical techniques such as task analysis, work simplification, work-flow charts, workload measurement and trend analysis to the resolution of procedural problems affecting the efficiency of administrative support functions, or productivity of a specific work unit, or program operations within an organization.



Salary Range 2: Performs a range of established analytical studies of activity programs and/or projects which may extend to field program operations. Analyzes interrelated, or management functions such as management controls, work planning, manpower utilization, effectiveness of work methods and projects related to field program operations.



Salary Range 3: A lead analyst who consults with managers to establish proper program measures. Establishes criteria to identify and measure program accomplishments, recommends methods to improve program effectiveness, or recommends new approaches to program evaluation which may serve as precedents for others.

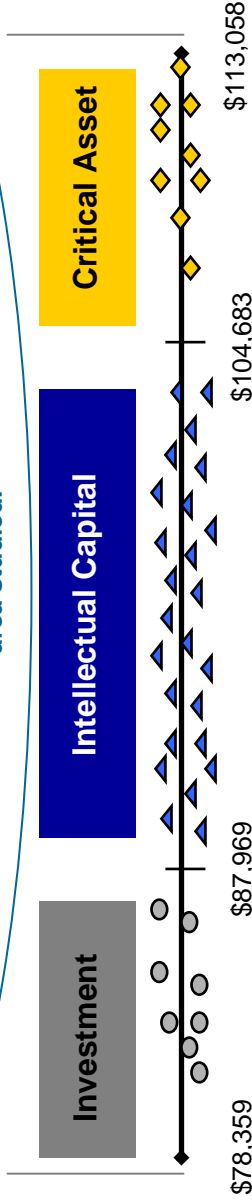


YA-343-3

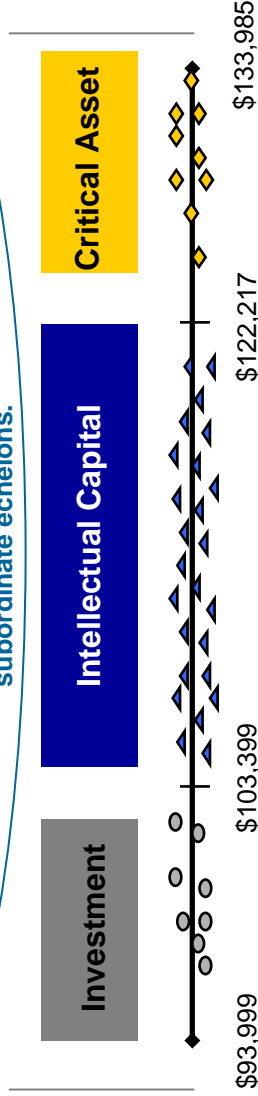
Professional/Analytical

| | | |
|-----------------|-------------------------------------|------------------|
| \$78,359 | Professional/Analytical YA 3 | \$133,985 |
|-----------------|-------------------------------------|------------------|

Salary range 1: Recognized expert in the analysis and evaluation of programs. Develops new information about the subject area studied and establishes new criteria to identify and measure program accomplishments. Develops proposals requiring extensive changes in established practices which may involve substantial agency resources. Directs team study work to negotiate the development of detailed plans, goals, and objectives for the long-range implementation and administration of the area studied.



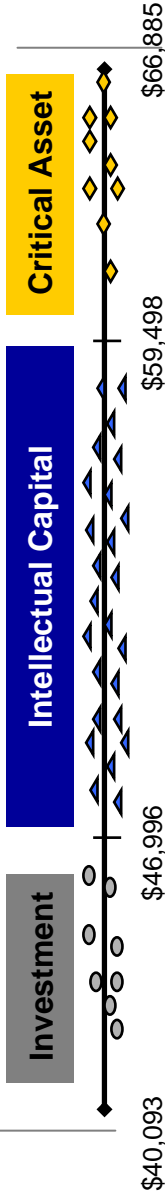
Salary range 2: Serves as Project/Program Manager. Responsible for the evaluation of the effectiveness and efficiency of major program operations throughout the agency. Reviews and evaluates proposed legislation which may significantly change the basic character of agency programs. Develops study formats for use by others at subordinate echelons.



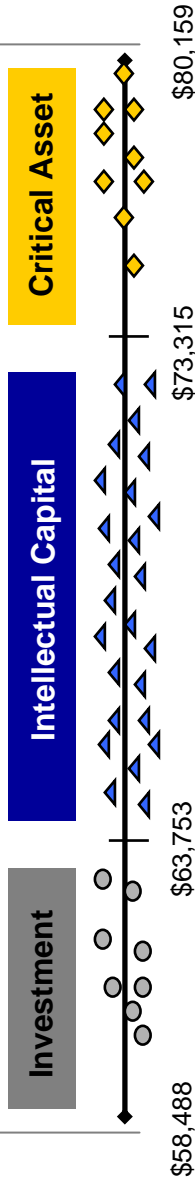
Logistics Management Specialist

| | | |
|----------|------------------------------|----------|
| \$40,093 | Professional/Analytical YA 2 | \$91,801 |
|----------|------------------------------|----------|

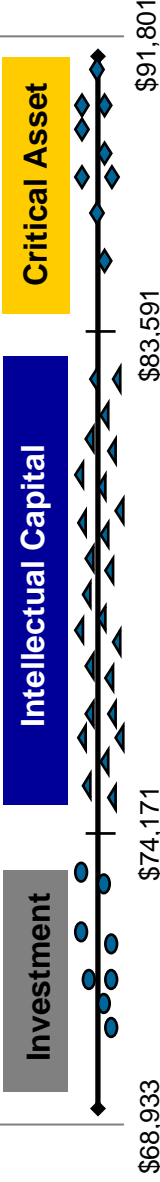
Salary Range 1: Journey level Logistics Management Specialist – responsible for one or more logistics elements or associated policy (maintenance, planning, manpower, supply support, support and test equipment, technical data, computer support, pkg/handling/storage/transport/facilities and design interface).



Salary Range 2: Serves as Systems Level Logistics POC coordinating the work of more than one other grouping of logistics support elements



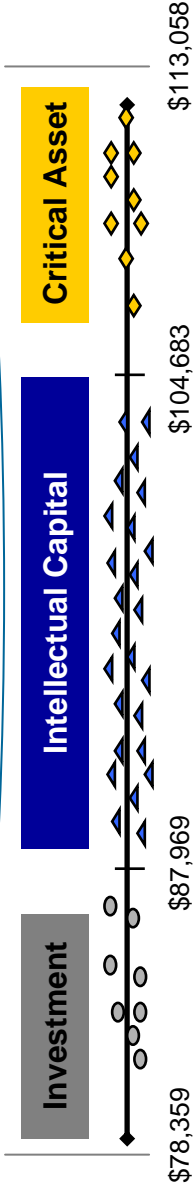
Salary Range 3: Serves as System Level POC/Team Lead of more complex systems/elements responsible for contacts with external commands/agencies of significance to program success/direction.



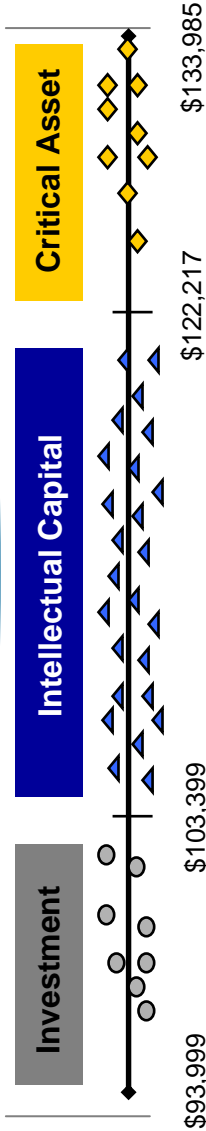
Logistics Management Specialist

| | | |
|----------|------------------------------|-----------|
| \$78,359 | Professional/Analytical YA 3 | \$133,985 |
|----------|------------------------------|-----------|

Salary Range 1: SYSCOM level Logistics Specialist with program responsibility for more complex program/system operations



Salary Range 2: SYSCOM or above Program Manager level responsibilities with designated Program Approval/ Decision Making Authority Impacting Total Program Outcome.

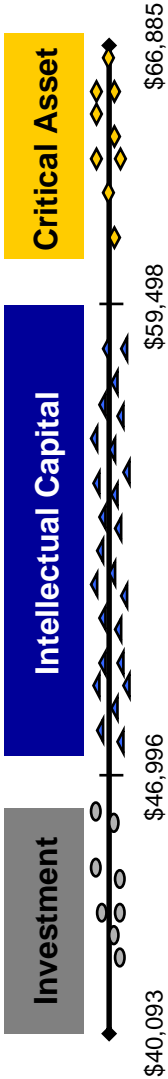


YA-0391-2

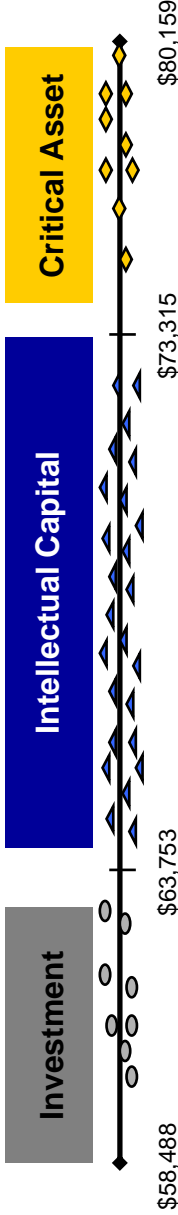
Telecommunications Specialists

| | | |
|-----------------|-------------------------------------|-----------------|
| \$40,093 | Professional/Analytical YA 2 | \$91,801 |
|-----------------|-------------------------------------|-----------------|

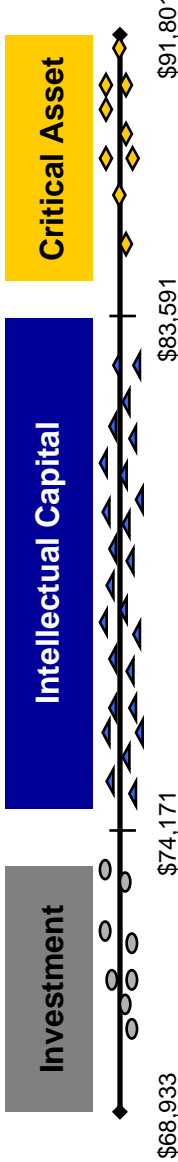
Salary Range 1: Journey level specialist knowledgeable of communications concepts & processes to provide guidance & resolve complex telecommunications problems.



Salary Range 2: Expert technical authority in a major area of telecommunications specialization. Comprehensive knowledge of communications requiring use of new theories.



Salary Range 3: A lead specialist using knowledge of scientific & technological advances to advise & plan for significantly new requirements. Plans & directs long-term (5+ years) studies & advises top management officials.



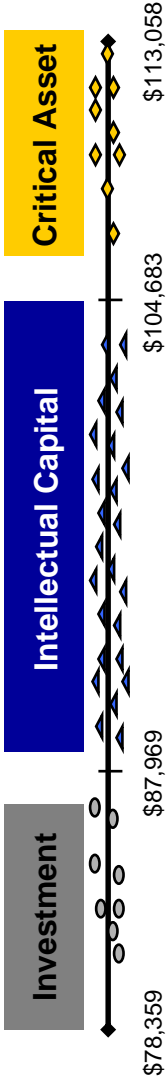
Base Salary ranges, excluding
Local Market Supplements (LMS)

YA-0391-3

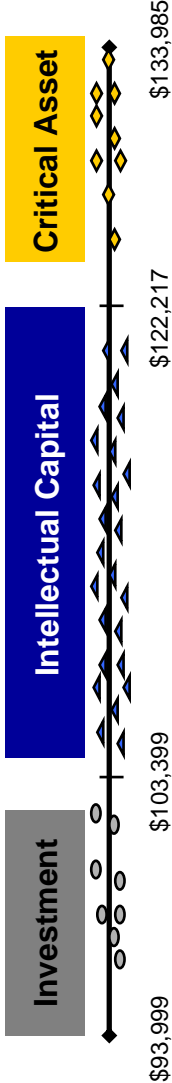
Telecommunications Specialists

| | | |
|-----------------|-------------------------------------|------------------|
| \$78,359 | Professional/Analytical YA 3 | \$133,985 |
|-----------------|-------------------------------------|------------------|

Salary Range 1: Large activity or major command expert on telecommunications systems throughout the organization. Researches & evaluates new technologies for possible utilization.



Salary Range 2: Serves as a project/program manager responsible for evaluating the efficiency & effectiveness of telecommunications programs throughout DON.

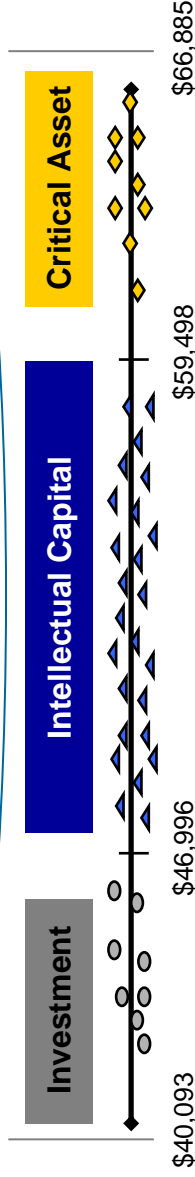


YA-0501-02

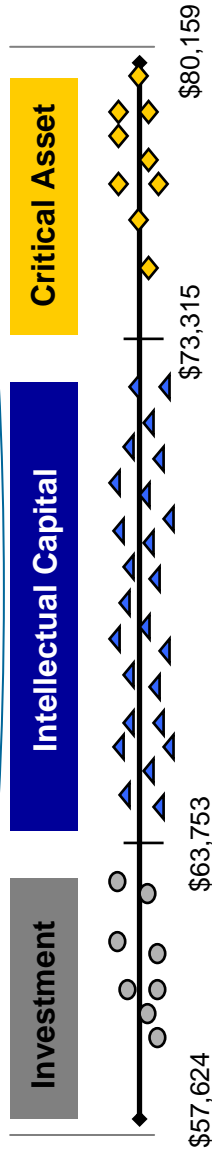
Professional/Analytical

| | | |
|-----------------|---------------------------------------|-----------------|
| \$40,093 | Professional / Analytical YA 2 | \$91,801 |
|-----------------|---------------------------------------|-----------------|

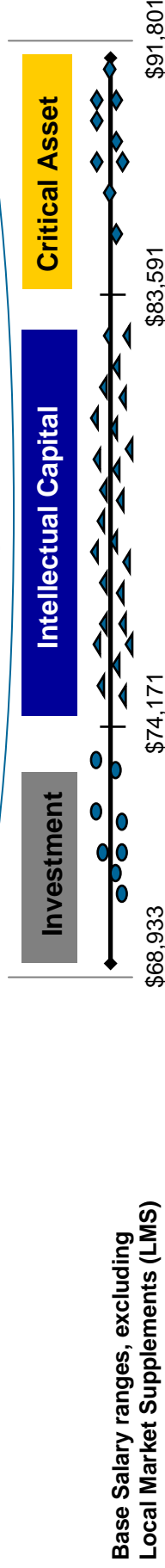
YA-2 (1st Range): Local/Activity Budget execution and oversight



YA-2 (2nd Range): Budget Formulation submittal and oversight



YA-2 (3rd Range): Budget formulation execution and defined at Headquarters Level



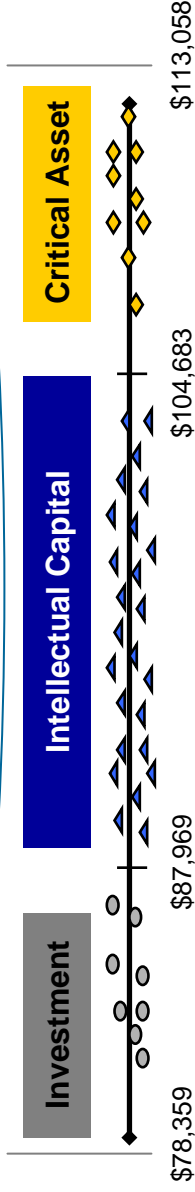
Base Salary ranges, excluding
Local Market Supplements (LMS)

YA-0501-03

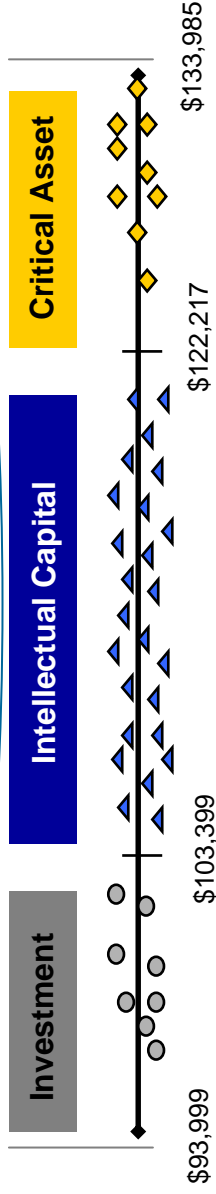
Professional/Analytical

| | | |
|-----------------|---------------------------------------|------------------|
| \$78,359 | Professional / Analytical YA 3 | \$133,985 |
|-----------------|---------------------------------------|------------------|

YA-3 (1st Range): Financial Program Manager, SMEs at major Echelon II Command or equivalent level



YA-3 (2nd Range): Senior Financial officials responsible for oversight of multiple programs or initiatives at major Echelon II Commands

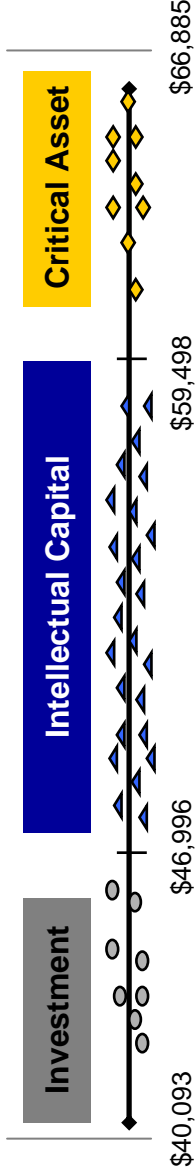


YA-1102-2

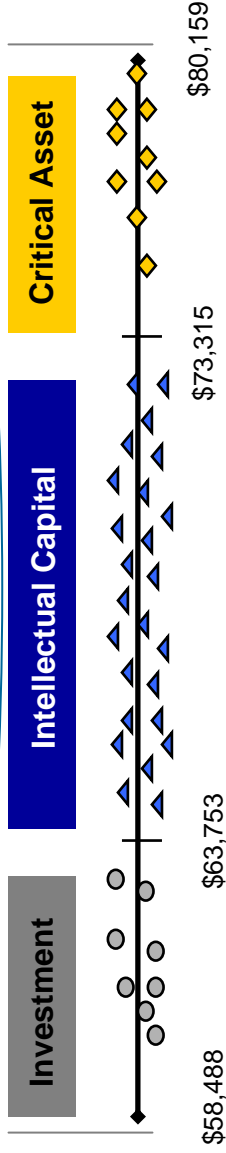
Procurement/Contracting Specialist

| | | |
|----------|------------------------------|----------|
| \$40,093 | Professional/Analytical YA 2 | \$91,801 |
|----------|------------------------------|----------|

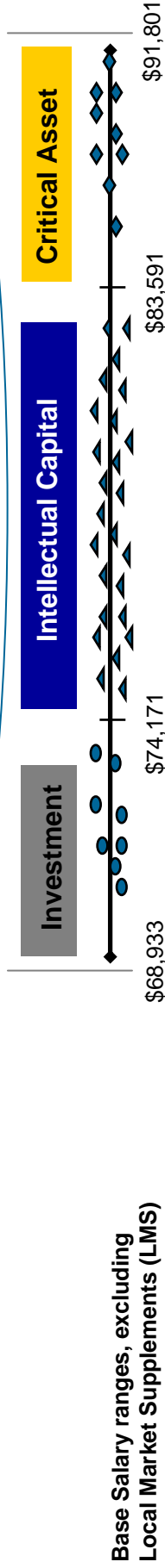
Salary Range 1: Journey level contract or procurement specialist responsible for variety of pre/post award functions.



Salary Range 2: Fully seasoned specialist involved in more complex contracting efforts, serving as Project/Program Manager (possessing warranted Contracting Officer status).



Salary Range 3: Fully seasoned specialist involved with highly specialized procurements of significant impact to the agency, possessing contract warrants.



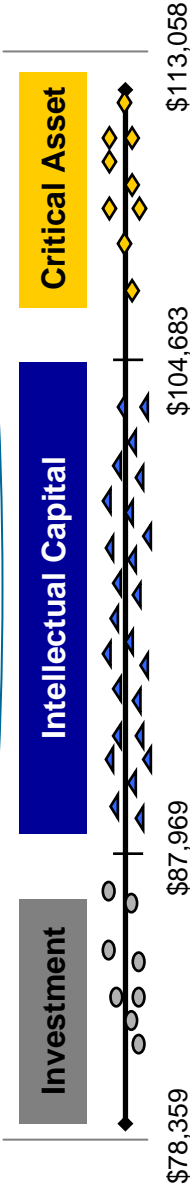
Base Salary ranges, excluding
Local Market Supplements (LMS)

YA-1102-3

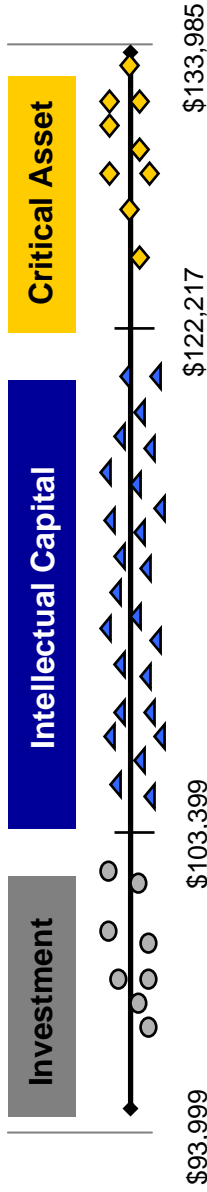
Procurement/Contracting Specialist

| | | |
|-----------------|-------------------------------------|------------------|
| \$78,359 | Professional/Analytical YA 3 | \$133,985 |
|-----------------|-------------------------------------|------------------|

Salary Range 1: Serves as warranted contracting officer with extensive signatory authority for a significant system or program (large funding levels, magnitudes of impact and visibility; and serves as team lead of significant programs and systems.



Salary Range 2: Serves as technical consultant for large scale contracting efforts with unlimited signatory authority. Design high visibility contract strategies with high degree of demonstrated success. Personally negotiates controversial contracts successfully.

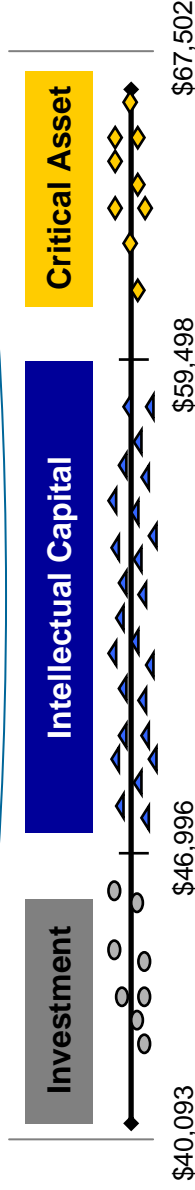


YA-1601-02

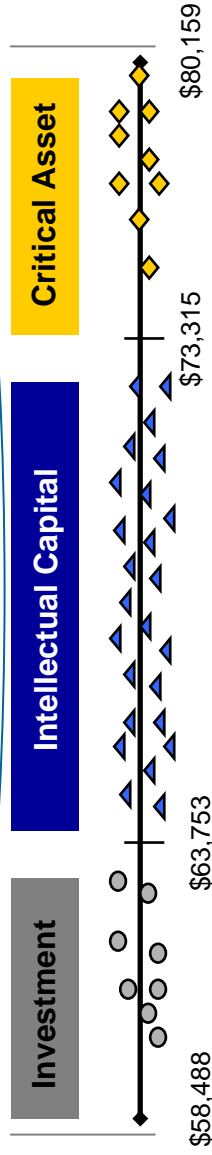
Professional/Analytical

| | | |
|-----------------|---------------------------------------|-----------------|
| \$40,093 | Professional / Analytical YA 2 | \$91,801 |
|-----------------|---------------------------------------|-----------------|

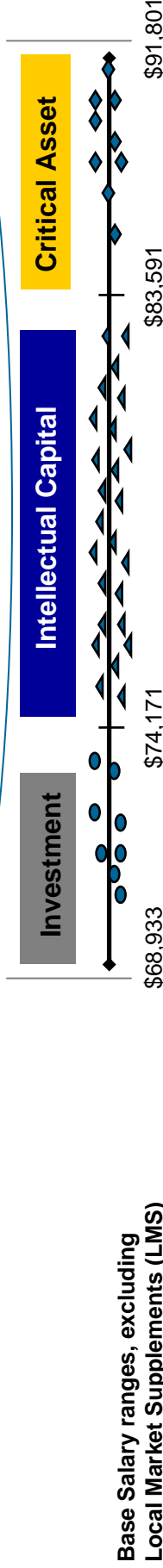
Salary Range 1: Inspectors, Evaluators, Specialists



Salary Range 2: Assistant Shop Heads, Project Managers



Salary Range 3: Program Managers



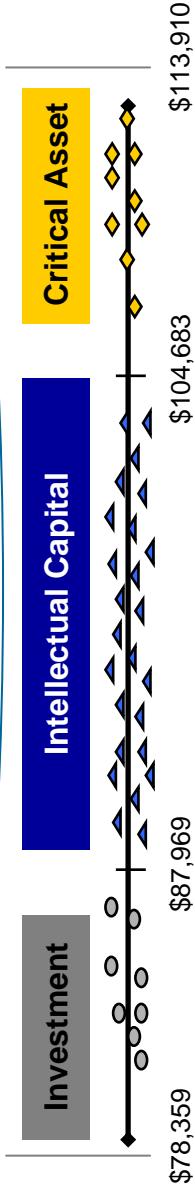
Base Salary ranges, excluding
Local Market Supplements (LMS)

YA-1601-03

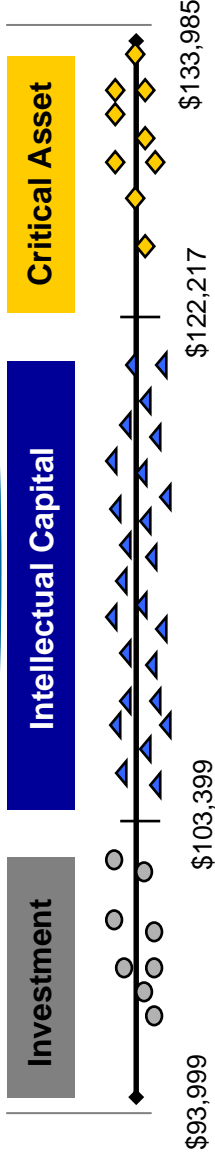
Professional/Analytical

| | | |
|-----------------|-------------------------------------|------------------|
| \$78,359 | Professional/Analytical YA 3 | \$133,985 |
|-----------------|-------------------------------------|------------------|

Salary Range 1: Lead of Industrial Operations or Large Shop; Organization Managers of large industrial activities



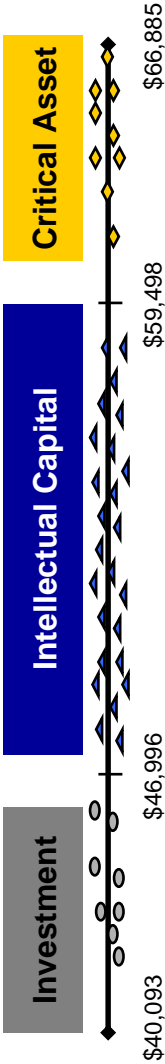
Salary Range 2: Group Superintendents, Project Superintendents of Industrial functions of large scope and impact



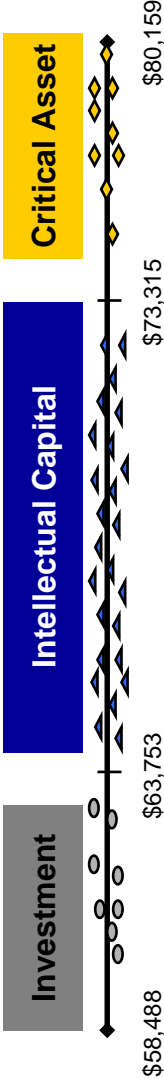
Training Instruction and Administration

| | | |
|-----------------|-------------------------------------|-----------------|
| \$40,093 | Professional/Analytical YA 2 | \$91,801 |
|-----------------|-------------------------------------|-----------------|

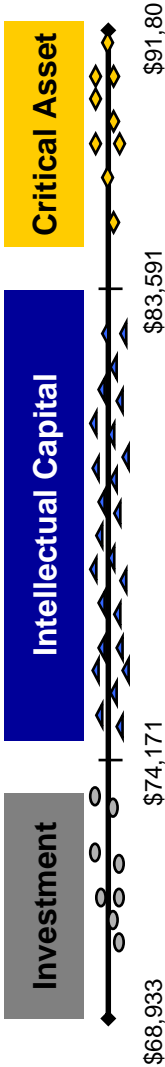
Salary Range 1: Serves as a journey-level instructor. Develops & revises courses due to subject-matter changes or student problems.



Salary Range 2: A journey-level instructor of advanced technical systems which are equivalent to upper division college courses. Takes primary role in course development requiring intensive fact-finding/study.



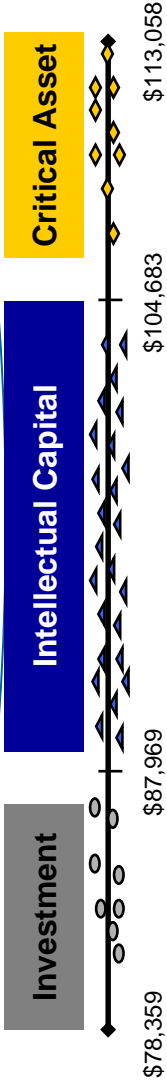
Salary Range 3: Instructors develop experimental programs or course work equivalent to the graduate level college courses. Resolves controversial matters of considerable consequence or affect policy.



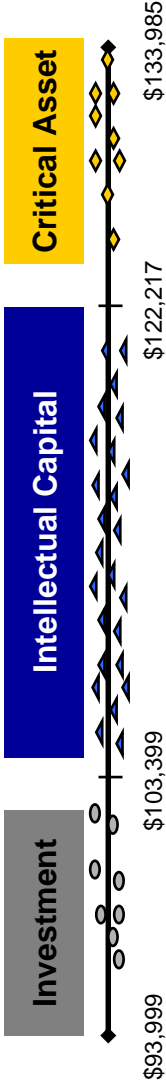
Training Instruction and Administration

| | | |
|----------|------------------------------|-----------|
| \$78,359 | Professional/Analytical YA 3 | \$133,985 |
|----------|------------------------------|-----------|

Salary Range 1: Considered expert at a major command designing courses that are broad, highly complex, innovative & rapidly changing requiring extensive authoritative knowledge. Source materials are often non-existent.



Salary Range 2: Serves as a project/program manager responsible for evaluating the efficiency & effectiveness of training instruction & administration throughout the DON.



YA-2210-2

| | | | |
|------------------|--------------------------------|-----------------|-----------------|
| YA-2210-2 | Professional/Analytical | \$40,093 | \$91,801 |
|------------------|--------------------------------|-----------------|-----------------|

YA-2210-3

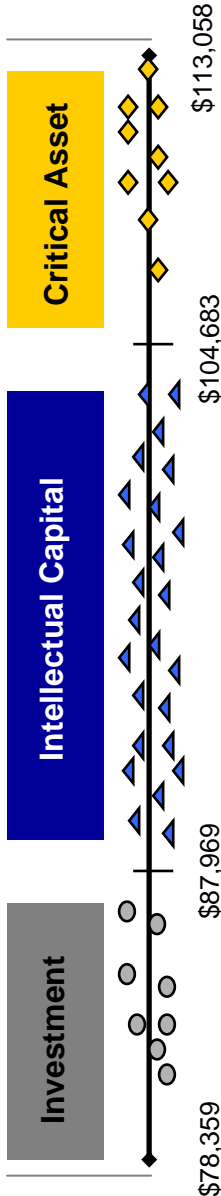
Professional/Analytical

\$78,359

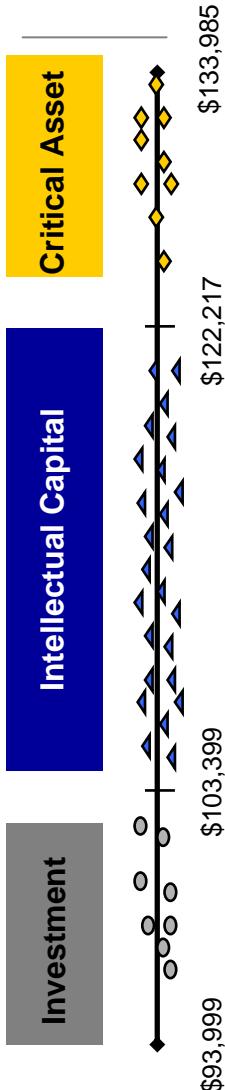
Professional/Analytical YA 3

\$133,985

Salary range 1: Agency or large activity expert on IT issues and systems. Regularly develops new IT theories and integration plans for agency or large activity.



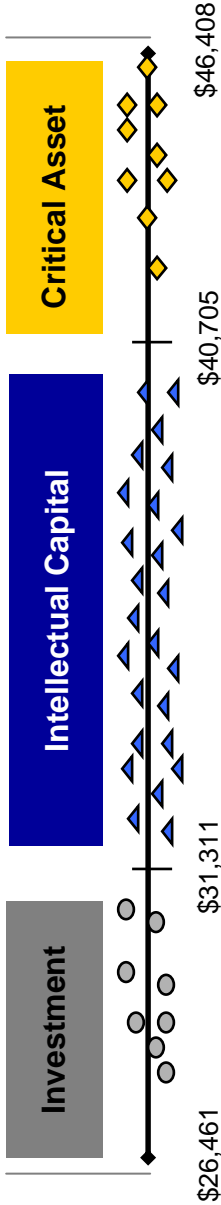
Salary range 2: Program Manager responsible for the planning, coordination and execution of agency-wide IT initiatives. Strategic consultant and advisor to senior IT managers for the application of process improvement throughout the agency.



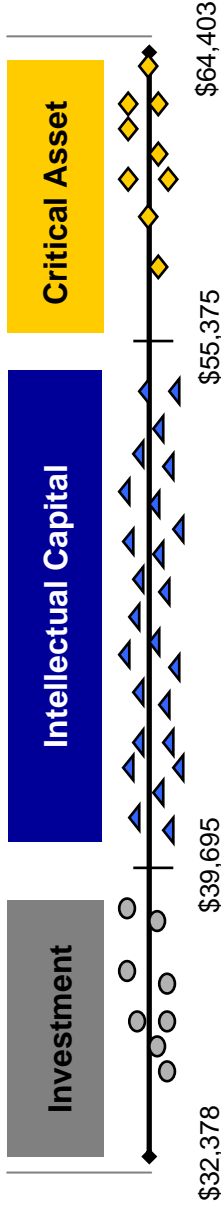
YA-1, YD-1, YH-1, YK-1 Entry/Developmental Work

| | | |
|-----------------|----------------------------------------------------|-----------------|
| \$26,461 | YA-1, YD-1, YH-1, YK-1 Entry/Developmental Work | \$64,403 |
|-----------------|----------------------------------------------------|-----------------|

Salary Range 1: e.g. candidates possessing basic entry level qualifications



Salary Range 2: e.g. enhanced level qualifications, directly related work experience, etc.

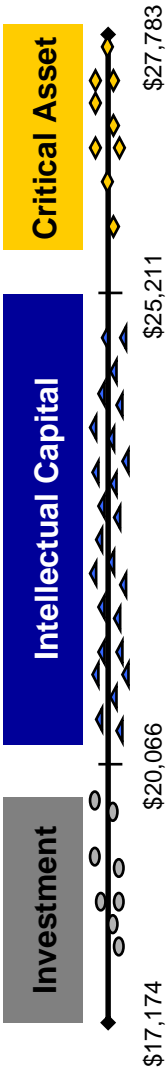


YB-0318-1

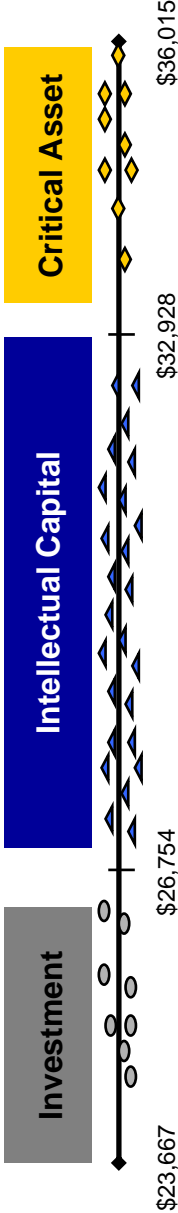
Secretaries

| | | |
|-----------------|--------------------------------|-----------------|
| \$17,174 | Technician/Support YB 1 | \$39,161 |
|-----------------|--------------------------------|-----------------|

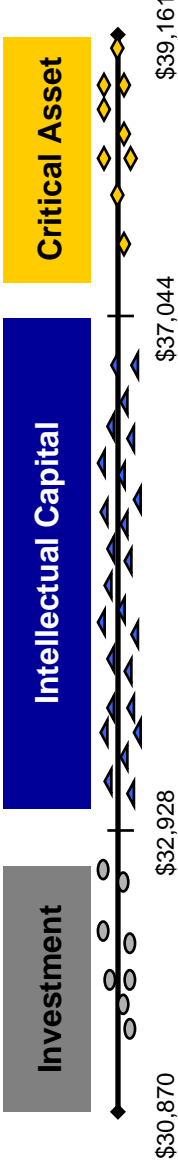
Salary Range 1: Entry level secretary performing basic secretarial work under moderate supervision.



Salary Range 2: Performs routine secretarial work in a small to medium organization requiring basic secretarial skills and familiarization with organizational structure & practices.



Salary Range 3: Provides secretarial & administrative assistance to a manager of a moderately sized organization requiring practical knowledge of the organization, it's practices & policies. Prepares responses to routine inquiries.



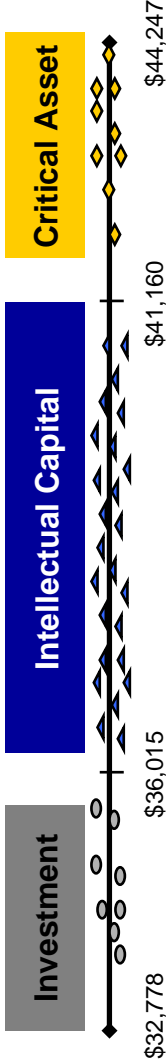
Base Salary ranges, excluding
Local Market Supplements (LMS)

YB-0318-2

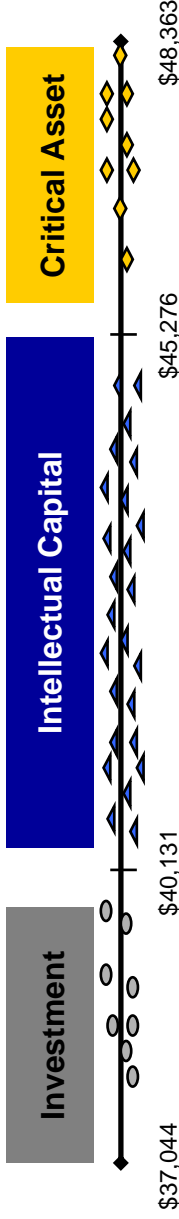
Secretaries

| | | |
|-----------------|--------------------------------|-----------------|
| \$32,778 | Technician/Support YB 2 | \$58,622 |
|-----------------|--------------------------------|-----------------|

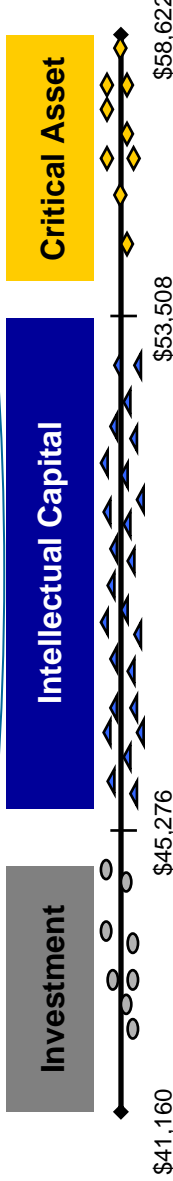
Salary Range 1: Independently performs secretarial & administrative work such as collecting & analyzing moderately complex data/information & composing straightforward responses. Requires substantive knowledge of the organization



Salary Range 2: Advanced secretarial skills required to compose correspondence & independently resolve complex inquiries. Maintains supervisors calendar with authority to rearrange schedule as needed.



Salary Range 3: Expert knowledge & skill in secretarial functions & responsibilities. Comprehensive knowledge of the organization policies & practices. Researches complex inquiries/issues & prepares in-depth responses or reports of findings. Typically provides leadership to lower-level secretaries.

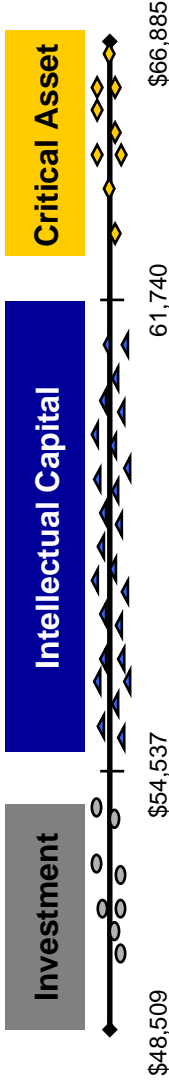


Base Salary ranges, excluding
Local Market Supplements (LMS)

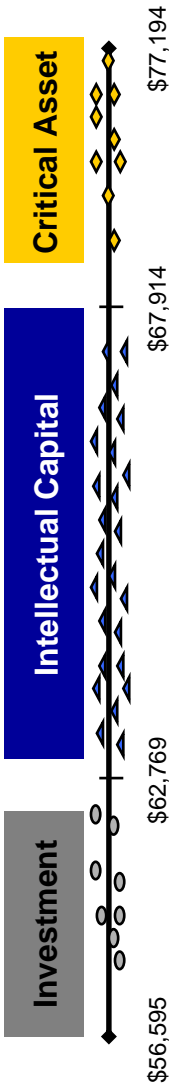
YB-0318-3 Secretaries

| | | |
|-----------------|--------------------------------|-----------------|
| \$48,509 | Technician/Support YB 3 | \$77,194 |
|-----------------|--------------------------------|-----------------|

Salary Range 1: Typically provides advanced secretarial services to top-level managers at the major command level. Work is generally of a confidential nature. Prepares complex reports & statistical data.



Salary Range 2: Provides expert secretarial services to executive level officials at HQ organizations in the DON.

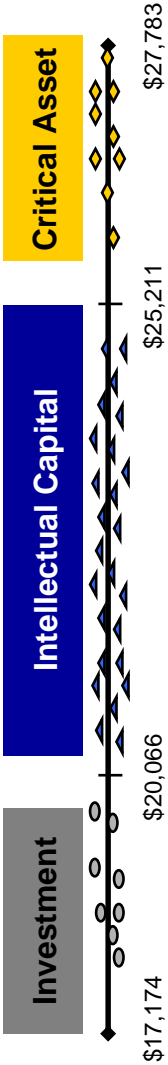


YB-0326-1

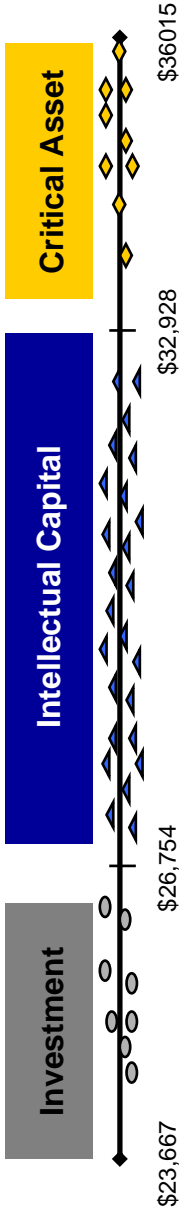
Office Automation Technicians

| | Technician/Support YB 1 | |
|-----------------|-------------------------|-----------------|
| \$17,174 | | \$39,161 |

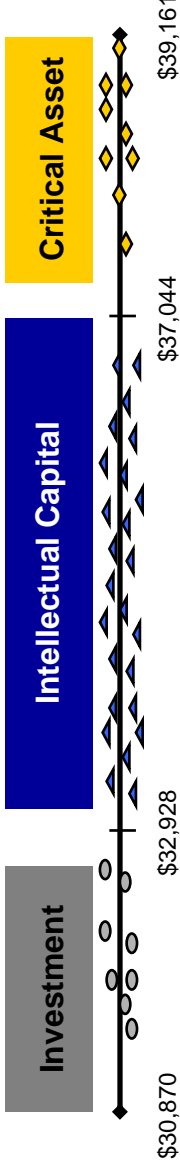
Salary Range 1: Entry level technician performing basic routine clerical duties with moderate supervision.



Salary Range 2: Independently performs a variety of non-routine moderately complex clerical/technician duties.



Salary Range 3: Expert technician sought out for consultation & advice. Performs wide variety of work with different applicable rules & regulations. Identifies problems & proposes resolution.



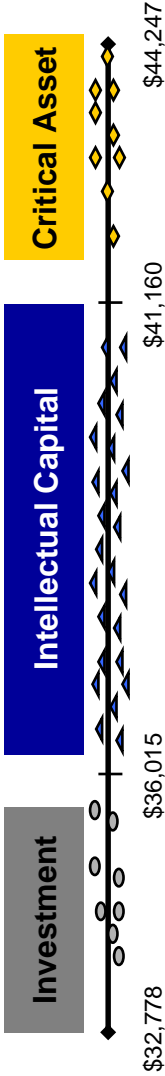
Base Salary ranges, excluding
Local Market Supplements (LMS)

YB-0326-2

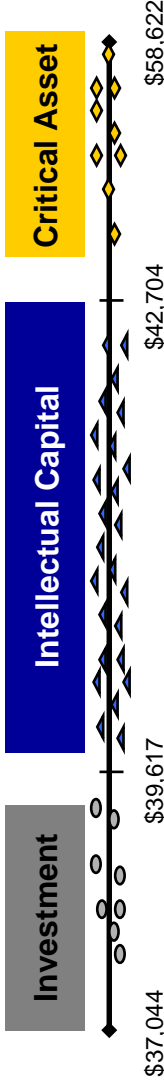
Office Automation Technicians

| | | |
|-----------------|--------------------------------|-----------------|
| \$32,778 | Technician/Support YB 2 | \$58,622 |
|-----------------|--------------------------------|-----------------|

Salary Range 1: Independently performs specialized duties in a defined function or program involving a wide variety of issues & problems requiring research, interpretation & adaptation of guidelines. Typically found in large-complex organizations with diverse missions.



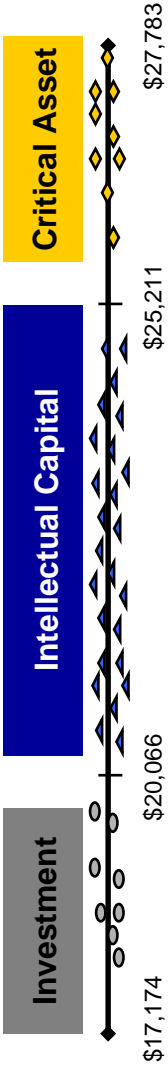
Salary Range 2: Provides administrative support to executive level officials at the major command or DON HQ level. Applies considerable discretion & independent judgment. Capable of interpreting complex information & determining/proposing complex resolution.



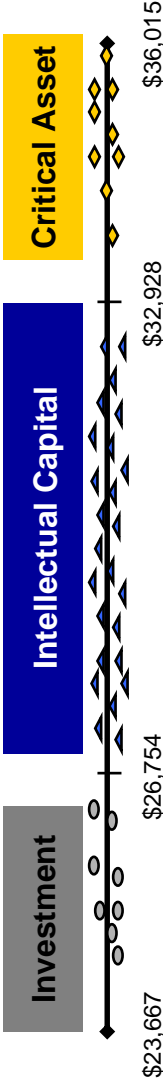
Education and Training Technicians

| | | |
|-----------------|-------------------------|-----------------|
| \$17,174 | Technician/Support YB 1 | \$39,161 |
|-----------------|-------------------------|-----------------|

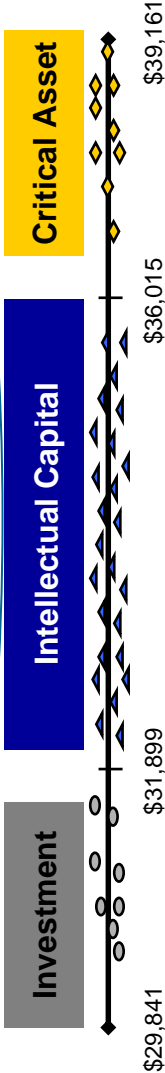
Salary Range 1: Technician performing basic work in area of specialization under limited supervision.



Salary Range 2: Independently performs a variety of non-routine moderately complex assignments in area of specialization.



Salary Range 3: Expert in area of specialization & is sought out for assistance & advice. Performs a wide variety of assignments with many applicable guidelines available. Routinely identifies issues & problems & proposes solutions.

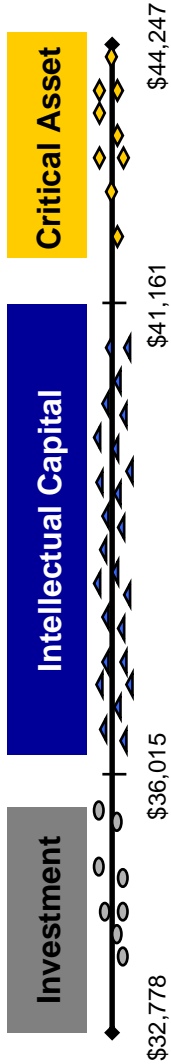


YB-1702-2

Education and Training Technicians

| | | |
|-----------------|--------------------------------|-----------------|
| \$32,778 | Technician/Support YB 2 | \$58,622 |
|-----------------|--------------------------------|-----------------|

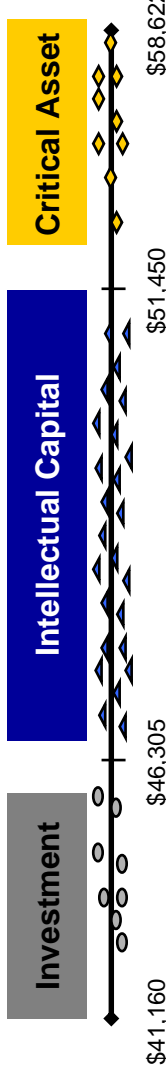
Salary Range 1: Independently performs complex assignments in area of specialization resolving a wide variety of issues & problems requiring research, analyses & adaptation of guidelines.



Salary Range 2: Completes advanced & difficult assignments in area of specialization at a large, complex & diverse mission organization. Applies considerable discretion & judgment & capable of analyzing complex information/data to determine/propose complex resolution. Results can potentially impact policies or organization.



Salary Range 3: Expert in field of specialization possessing comprehensive knowledge required to accomplish very broad & difficult assignments. Sought out for advice & expertise. Leads teams/groups.

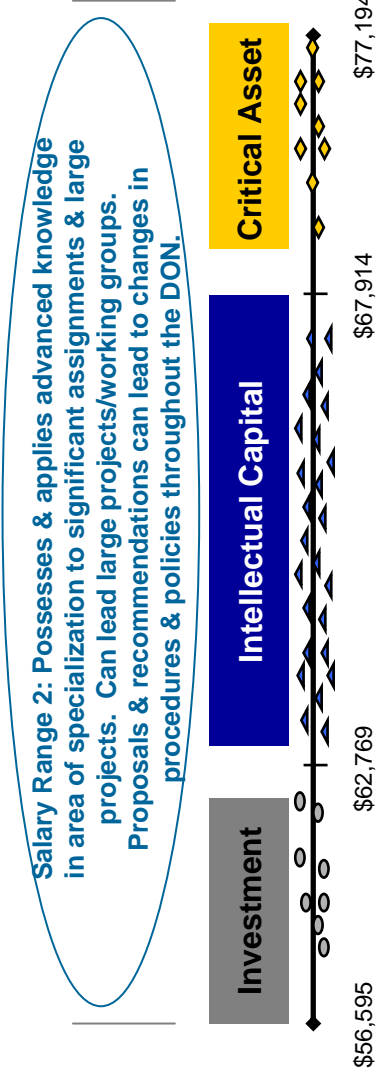


Base Salary ranges, excluding
Local Market Supplements (LMS)

YB-1702-3

Education and Training Technicians

| | | |
|-----------------|--------------------------------|-----------------|
| \$48,509 | Technician/Support YB 3 | \$77,194 |
|-----------------|--------------------------------|-----------------|

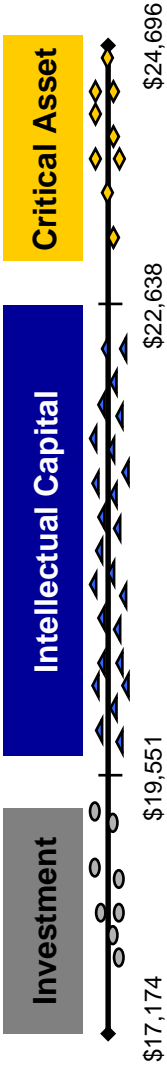


YB-XX03-1

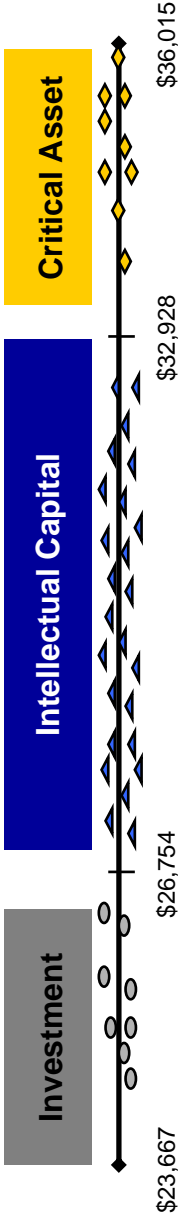
Various Technicians

| | | |
|-----------------|--------------------------------|-----------------|
| \$17,174 | Technician/Support YB 1 | \$39,161 |
|-----------------|--------------------------------|-----------------|

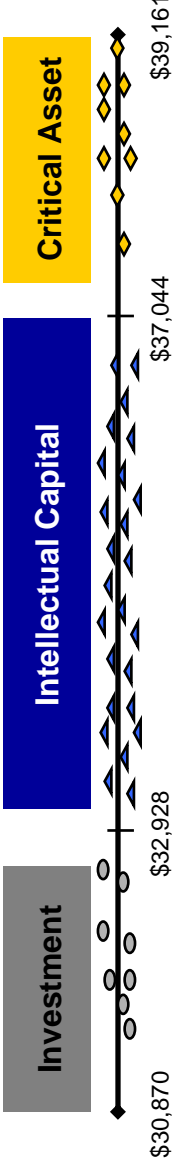
Salary Range 1: Performs routine clerical work requiring basic subject-matter knowledge under moderate supervision.



Salary Range 2: Independently performs a variety of non-routine moderately complex assignments in subject matter area.



Salary Range 3: Expert in subject-matter duties & is sought out for advice. Performs wide variety of assignments with varied applicable guidelines available. Routinely identifies problems & proposes solutions.



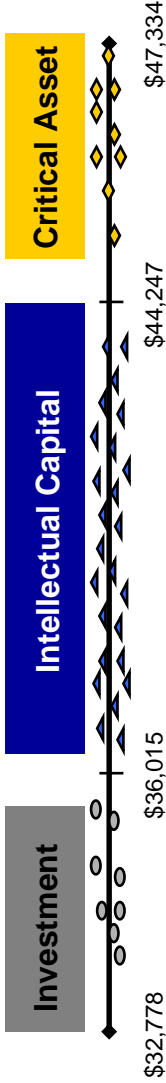
Base Salary ranges, excluding
Local Market Supplements (LMS)

YB-XX03-2

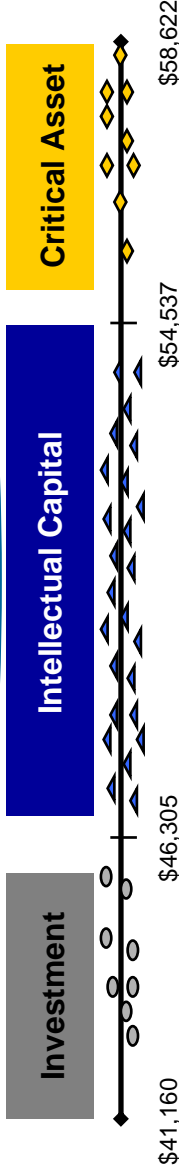
Various Technicians

| | | |
|-----------------|--------------------------------|-----------------|
| \$32,778 | Technician/Support YB 2 | \$58,622 |
|-----------------|--------------------------------|-----------------|

Salary Range 1: Independently performs complex assignments in defined subject matter area resolving a wide variety of issues & problems requiring research, analysis & adaptation of guidelines. Typically found in large complex organizations or at the major command level.



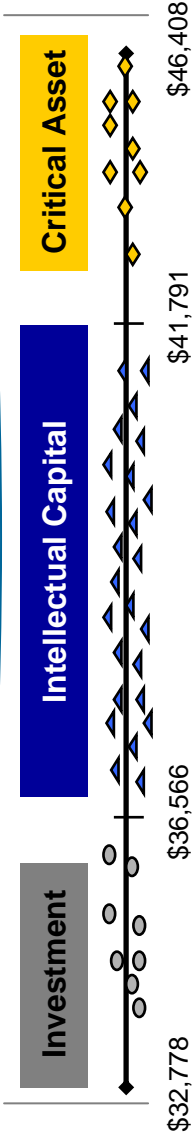
Salary Range 2: Completes advanced & difficult assignments in defined subject matter area at a major command or DON HQ level organization. Applies considerable discretion & independent judgment & capable of analyzing complex information/data to determine/propose complex resolutions.



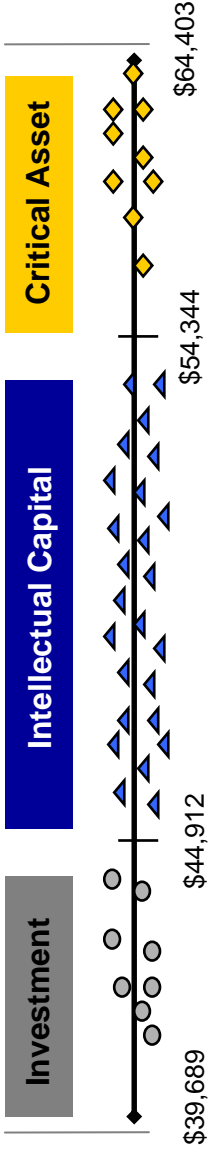
YC,YN-XXXX-1 Supervisor/Manager

| | | |
|----------|-----------------------------|----------|
| \$32,778 | Supervisor/Manager YC, YN 1 | \$64,403 |
|----------|-----------------------------|----------|

Salary Range 1: 1st Line Supervisor of clerical, administrative, or technical work.



Salary Range 2: 1st line supervisor of advanced clerical/ administrative/technical work. 2nd level supervisor of Pay Band 1 level work.

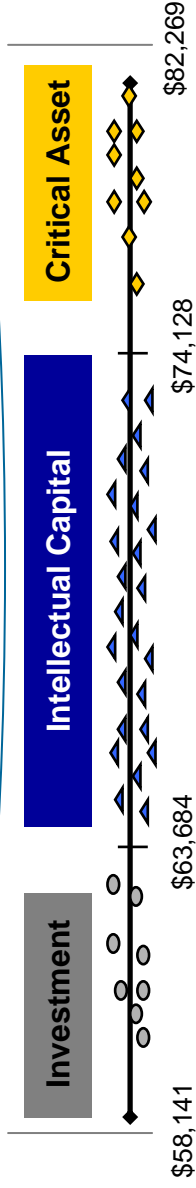


YC,YN-XXXX-2

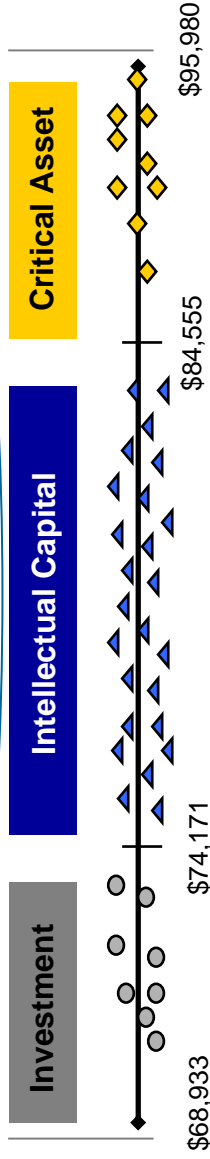
Supervisor/Manager

| | | |
|-----------------|-----------------------------------|------------------|
| \$58,141 | Supervisor/Manager YC,YN 2 | \$113,908 |
|-----------------|-----------------------------------|------------------|

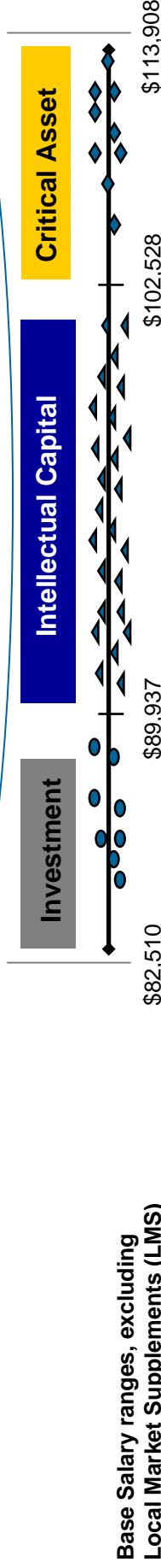
Salary Range 1: 1st Line Supervisor. Plans, directs, oversees work activities of a Branch or Division. Work directed is technical or professional in nature.



Salary Range 2: 1st or 2nd line supervisor. Oversees work of branch of more complex systems or projects; or wide variety of projects within a Branch/small division.



Salary Range 3: 2nd line supervisor or above of Division or Department overseeing complex system or project areas

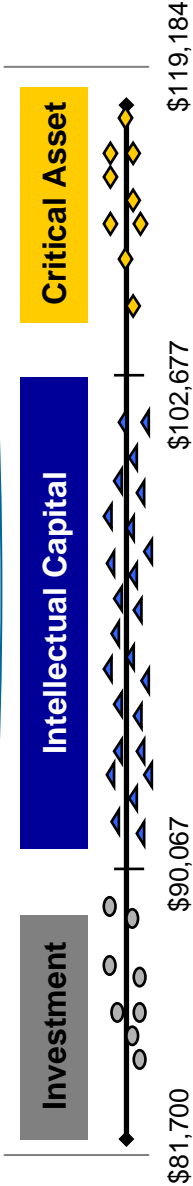


Base Salary ranges, excluding
Local Market Supplements (LMS)

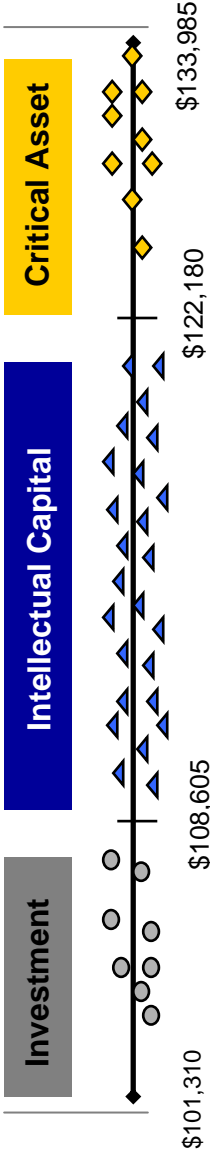
YC, YN-XXXX-3 Supervisor/Manager

| | | |
|----------|-----------------------------|-----------|
| \$81,700 | Supervisor/Manager YC, YN 3 | \$133,985 |
|----------|-----------------------------|-----------|

Salary Range 1: Supervisory Program Managers and Deputies of Significant Programs/Departments, responsible for Total System/Program Execution through the management of subordinate staff.



Salary Range 2: Deputy Director/Head of Organizations dealing with organization-wide Management functions.

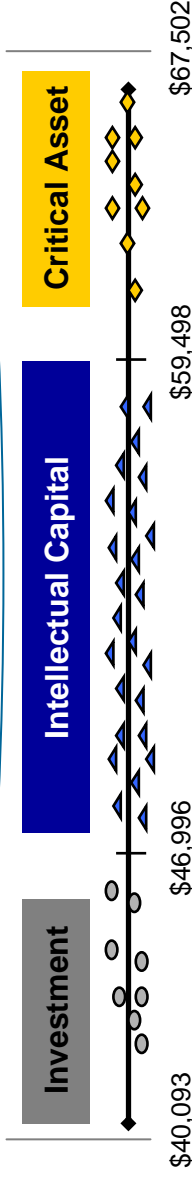


YD-8XX-02

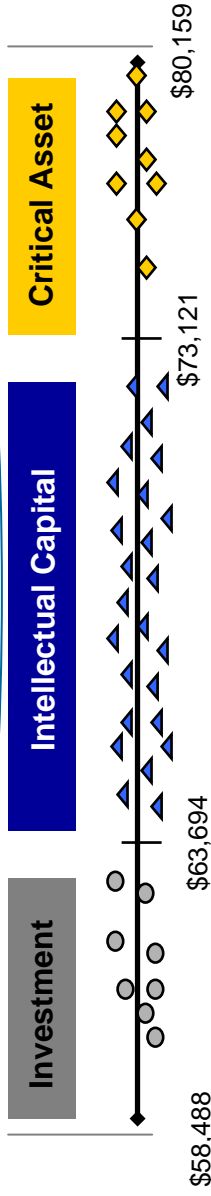
Engineer Professional

| | | |
|-----------------|--------------------------|-----------------|
| \$40,093 | Professional YD 2 | \$91,801 |
|-----------------|--------------------------|-----------------|

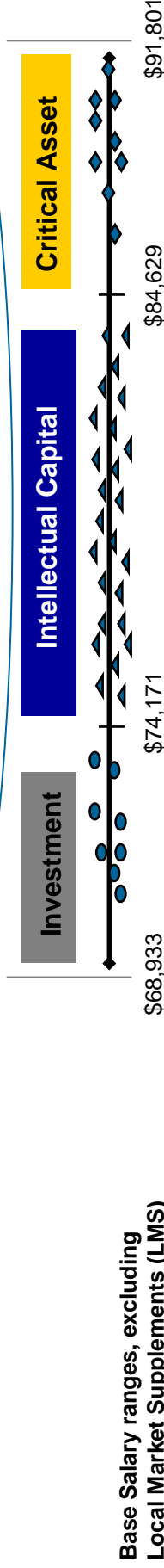
Salary Range 1: Basic Staff/General Engineer projects



Salary Range 2: Independent SME; Independent Project Engineer across competency; capable of mentorship



Salary Range 3: Project Lead/Lead Engineers



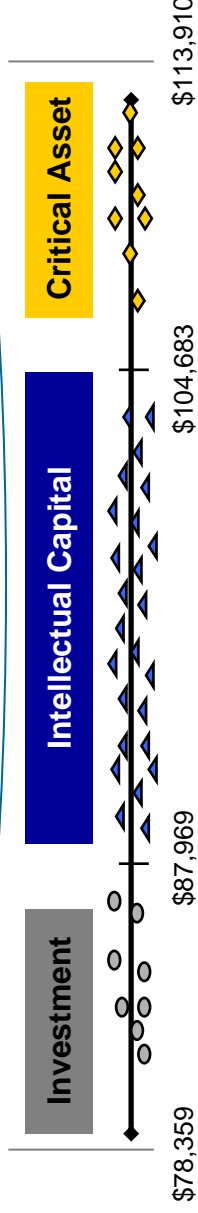
Base Salary ranges, excluding
Local Market Supplements (LMS)

YD-8XX-03

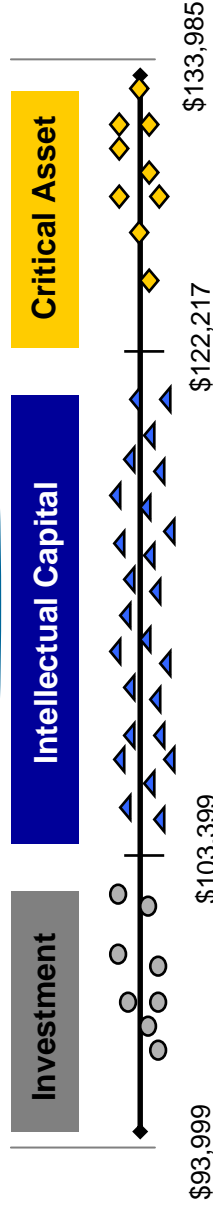
Engineer Professional

| | | |
|-----------------|--------------------------|------------------|
| \$78,359 | Professional YD 3 | \$133,985 |
|-----------------|--------------------------|------------------|

Salary Range 1: Technical Expert for DON on specific technical issues/systems



Salary Range 2: Recognized technical expert beyond DON;
Project/Program Engineer of state of the art programs and/or programs
of high significance/impact; Concurrent Program/Project Manager of
Numerous programs/projects

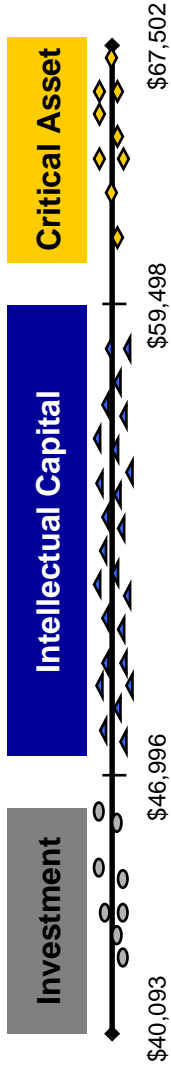


YD-1515-2

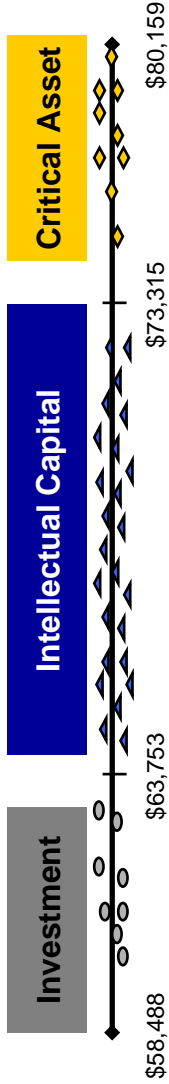
Operations Research Analysts

| | | |
|-----------------|--------------------------|-----------------|
| \$40,093 | Professional YD 2 | \$91,801 |
|-----------------|--------------------------|-----------------|

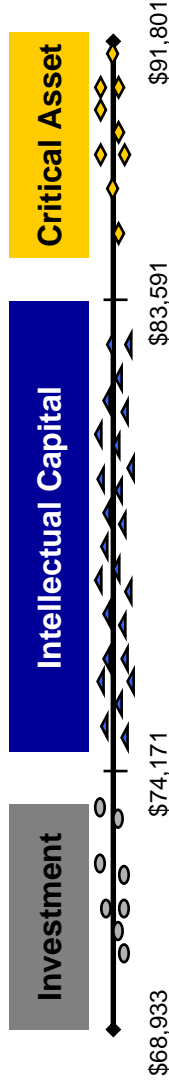
Salary Range 1: Knows & applies the fundamental concepts, practices & procedures of particular field of specialization.



Salary Range 2: Possesses & applies a broad knowledge of principles, practices & procedures of particular field of specialization to the completion of difficult assignments.



Salary Range 3: Possesses & applies comprehensive knowledge of particular field of specialization to the completion of complex assignments.



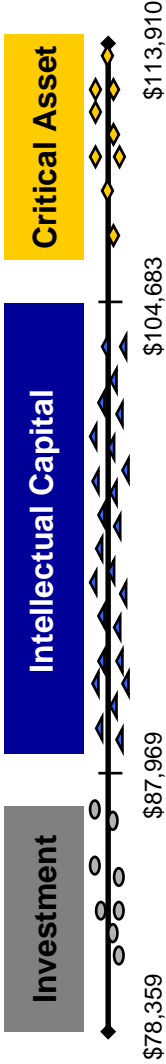
Base Salary ranges, excluding
Local Market Supplements (LMS)

YD-1515-3

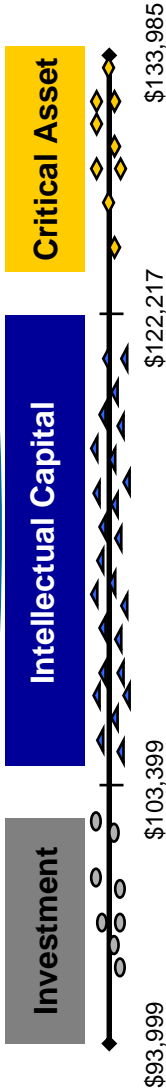
Operations Research Analysts

| | | |
|----------|-------------------|-----------|
| \$78,359 | Professional YD 3 | \$133,985 |
|----------|-------------------|-----------|

Salary Range 1: Plans & conducts major command-wide assignments, generally involving larger & more important projects. Reviews progress & evaluates results. May lead or direct projects.



Salary Range 2: Assignments necessitate advanced knowledge. There is more emphasis on personally conducting important & complex technical investigations that have major command-wide application & directly affects the DON mission.



YD-1550-2

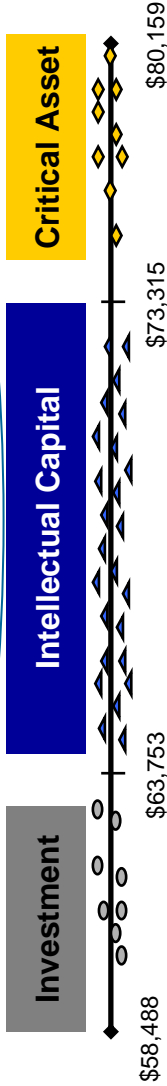
Computer Scientists

| | Professional YD 2 | |
|-----------------|-------------------|-----------------|
| \$40,093 | | \$91,801 |

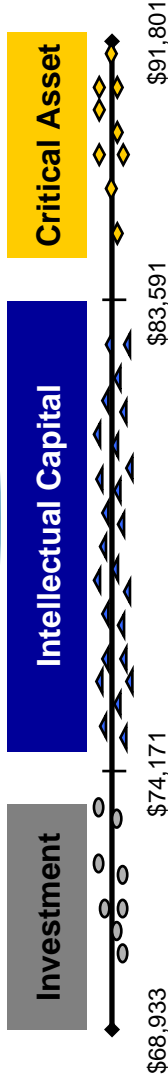
Salary Range 1: Independently evaluates, selects & applies standard scientific techniques & procedures using judgment to adapt standard methods & techniques. Assignments have clear & specified objectives & require investigation of limited number of variables.



Salary Range 2: Fully competent scientist in all aspects of subject matter; plans & conducts work requiring: a) mastering of specialized techniques or ingenuity when selecting & evaluating solutions to unforeseen or novel complexities, and b) ability to apply analytical solutions to wide variety of problems & assimilate details & their significance in scientific analyses, procedures & tests.



Salary Range 3: Applies diversified knowledge of scientific principles & practices to broad variety of assignments. Requires use of advanced techniques, modification & extension of theories, precepts & practices. Participates in planning & executing project programs using specialized knowledge of complexities, methods & probable value of results.



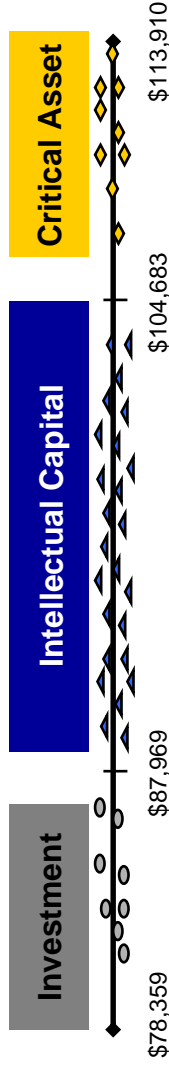
Base Salary ranges, excluding
Local Market Supplements (LMS)

YD-1550-3

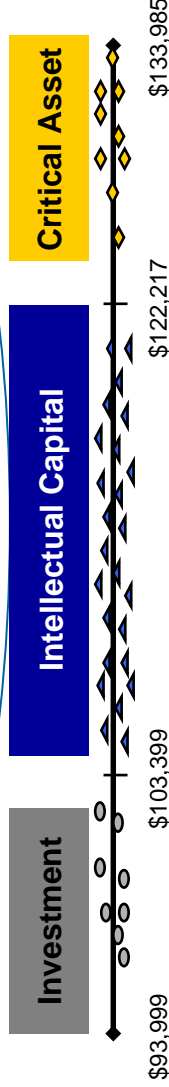
Computer Scientists

| | | |
|-----------------|--------------------------|------------------|
| \$78,359 | Professional YD 3 | \$133,985 |
|-----------------|--------------------------|------------------|

Salary Range 1: Has full technical responsibility for interpreting & executing project assignments. Conducts systematic problem-area resolution of considerable scope & complexity. Acts as technical liaison to individuals within & outside organization with responsibility to act independently regarding technical matters.



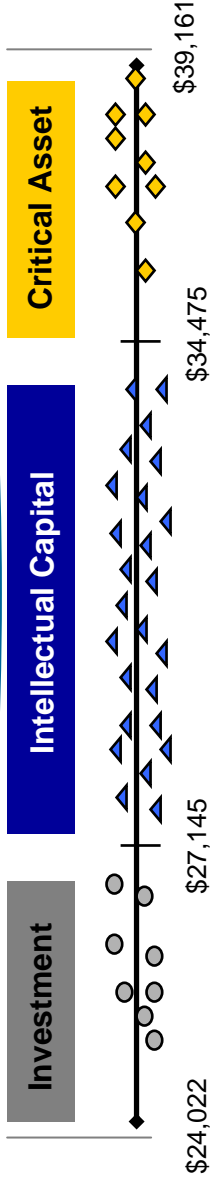
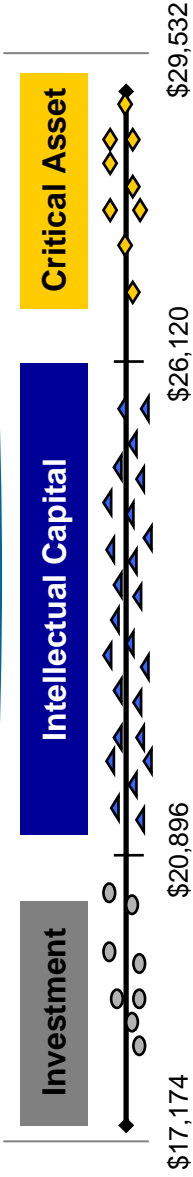
Salary Range 2: Makes authoritative decisions & recommendations having important major command/or DON-wide impact on extensive scientific activities or organization. Initiates & maintains extensive contacts with key scientists & officials of other organizations inside and outside government. Uses a high degree of creativity, foresight & mature judgment in planning, organizing & guiding extensive scientific projects.



YE-0802-01

Technician/Support

| | | |
|-----------------|--------------------------------|-----------------|
| \$17,174 | Technician/Support YE 1 | \$39,161 |
|-----------------|--------------------------------|-----------------|

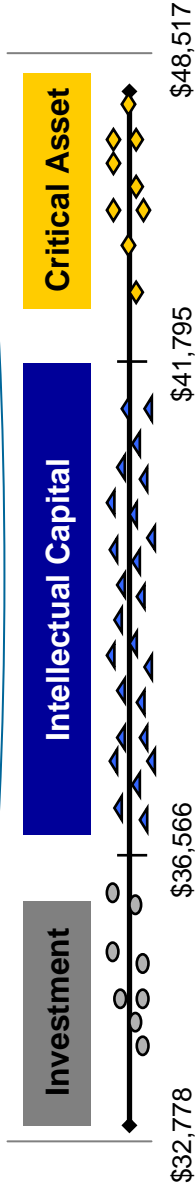


YE-0802-02

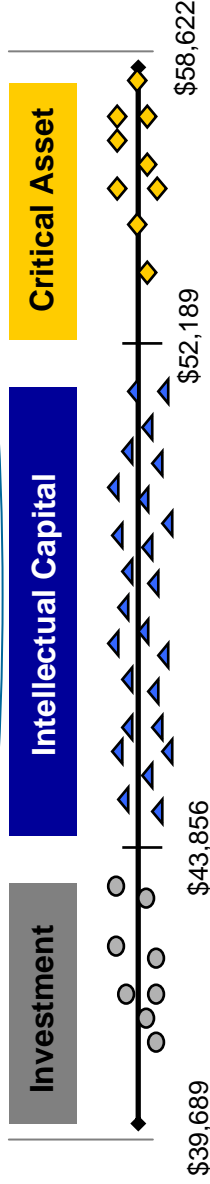
Technician/Support

| | | |
|-----------------|--------------------------------|-----------------|
| \$32,778 | Technician/Support YE 2 | \$58,622 |
|-----------------|--------------------------------|-----------------|

Salary Range 1: Entry Level. Performs routine technician work in support of higher level technicians, e.g, limited reviews, extract and process data, preparation of test documents.



Salary Range 2: Journey Level. Perform a full range of technical assignments; Analyze data from a variety of sources, recommend action, modify parts of instruments, equipment, interpret plans and drawings. Conduct more complex reviews

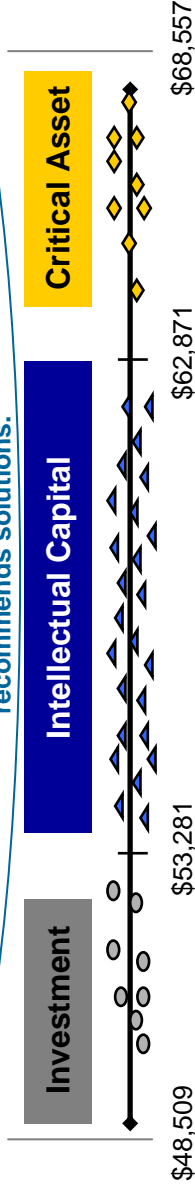


YE-0802-03

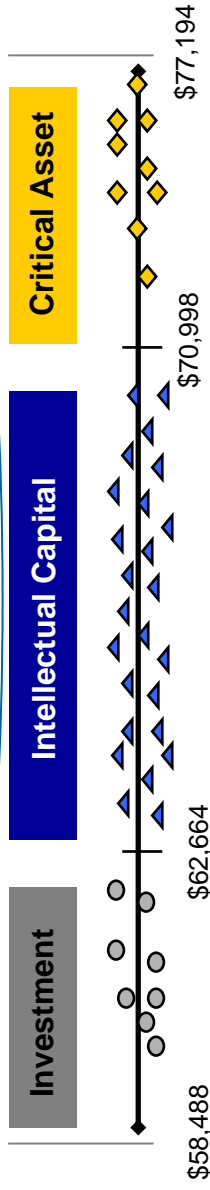
Technician/Support

| | | |
|-----------------|--------------------------------|-----------------|
| \$48,509 | Technician/Support YE 3 | \$77,194 |
|-----------------|--------------------------------|-----------------|

Salary Range 1: Performs a full range of complex, varied technical assignments in support of a engineering project or program (e.g. installation, maintenance, operations and testing.) Identifies, evaluates and recommends solutions.



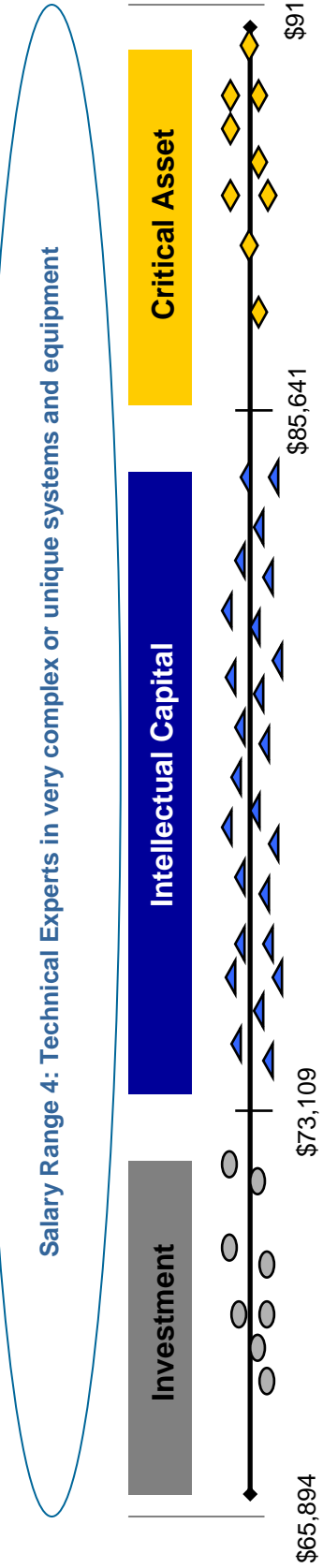
Salary Range 2: Project Lead. Work requires originality in determining complex, interrelated problems



YE-0802-04

Technician/Support

| | | |
|----------|-------------------------|----------|
| \$65,894 | Technician/Support YE 4 | \$91,801 |
|----------|-------------------------|----------|

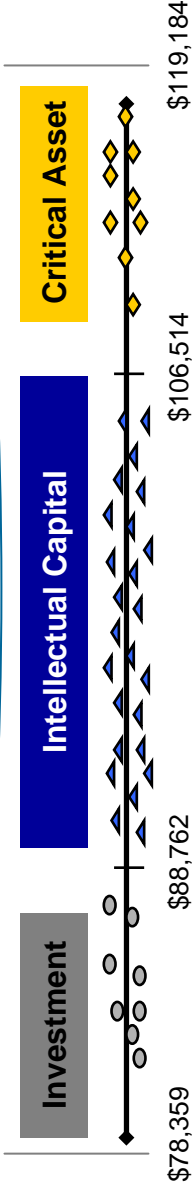


YF-8XX-03

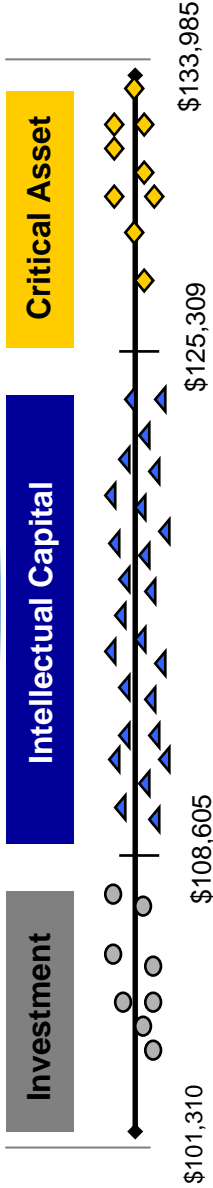
Scientific/Engineer

| | | |
|----------|-------------------------|-----------|
| \$78,359 | Supervisor/Manager YF 3 | \$133,985 |
|----------|-------------------------|-----------|

Salary Range 1: Supervisory Program Managers and Deputies of Significant Programs/Departments, responsible for Total System/Program Execution through the management of subordinate staff.



Salary Range 2: Deputy Director/Head of Organizations dealing with Organization wide Logistics Management functions.

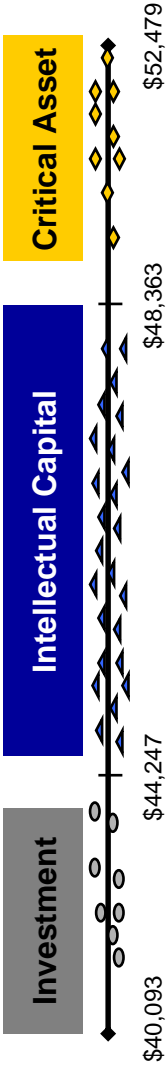


YH-0610-2

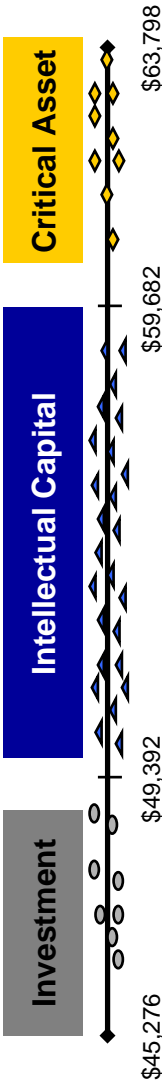
Nurses

| | | |
|-----------------|--------------------------|------------------|
| \$40,093 | Professional YH 2 | \$108,483 |
|-----------------|--------------------------|------------------|

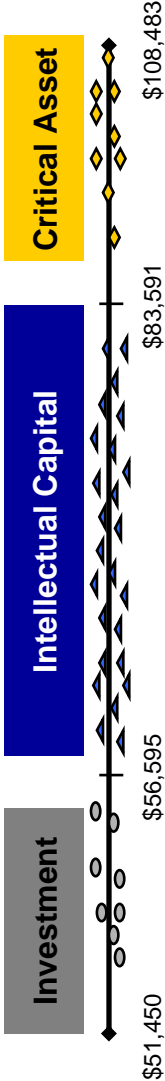
Salary Range 1: Provides comprehensive & specialized nursing services & care to assigned medical &/or surgical patients.



Salary Range 2: Employs advanced nursing skills & collaborates with physician on diagnoses & treatment; e.g., nurse practitioner. Provides health education in general or in a specific specialization to patients & family members.



Salary Range 3: A lead nurse providing assignments to assigned nurses for skill development or leads a group of nurses on a shift .

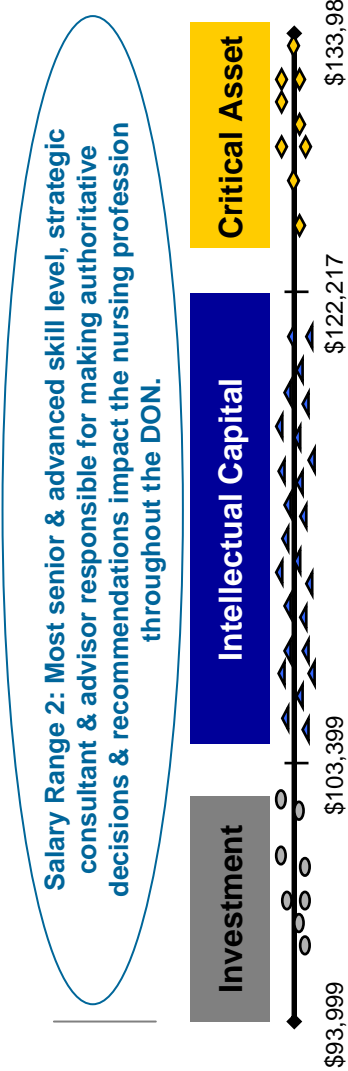


Base Salary ranges, excluding
Local Market Supplements (LMS)

YH-0610-3

Nurses

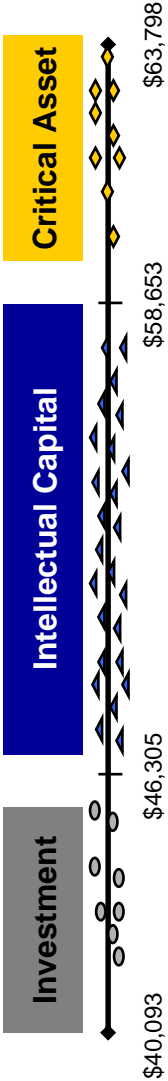
| | | |
|----------|-------------------|-----------|
| \$78,359 | Professional YH-3 | \$133,985 |
|----------|-------------------|-----------|



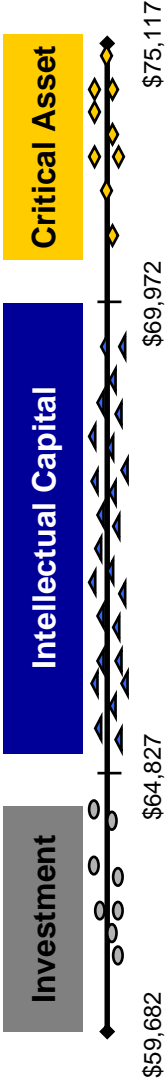
Criminal Investigators

| | | |
|----------|-----------------------------------|----------|
| \$40,093 | Investigative and Protective YK 2 | \$91,801 |
|----------|-----------------------------------|----------|

Salary Range 1: Performs full range of substantially difficult & sensitive investigative assignments.



Salary Range 2: Assignments are complex & include surveillance & undercover work often working cold evidence when a subject's prominence complicates investigation. Mishandling/lack of information could result in significant repercussions.

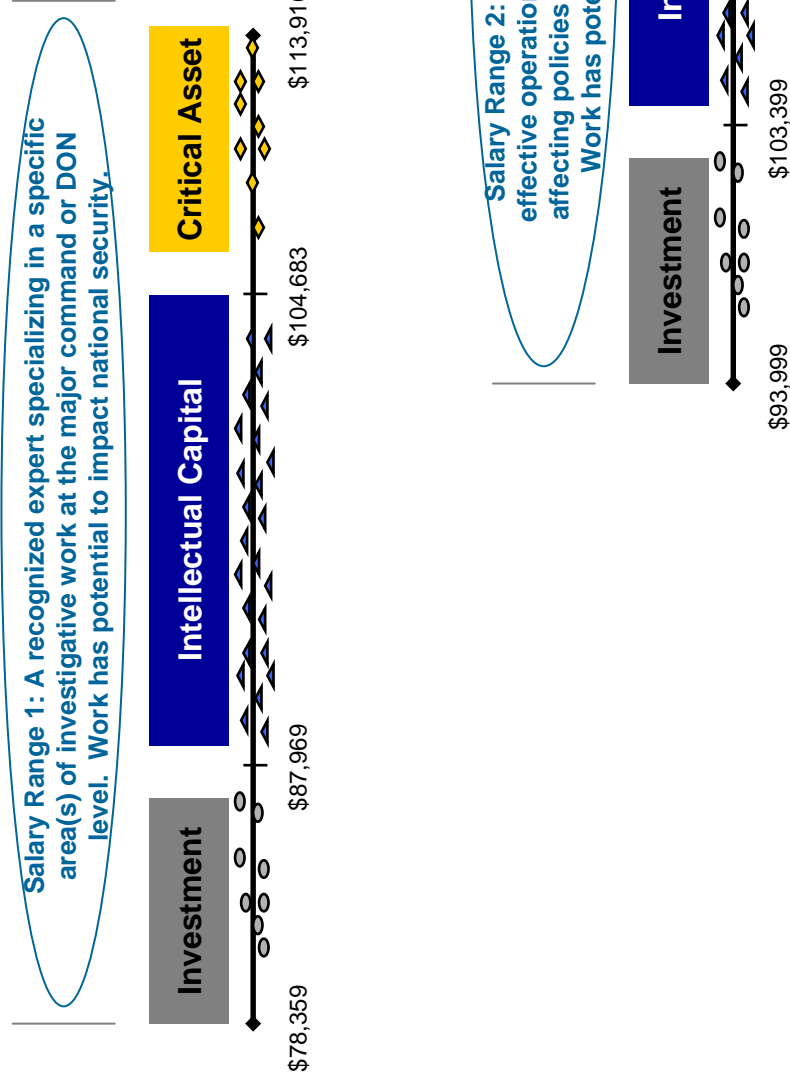


Salary Range 3: Type & scope of assignments are extremely complex & may impact national security. Protection assignments potentially affect continuity of Government & national security.



Criminal Investigators

| | | |
|----------|-----------------------------------|-----------|
| \$78,359 | Investigative and Protective YK 3 | \$133,985 |
|----------|-----------------------------------|-----------|

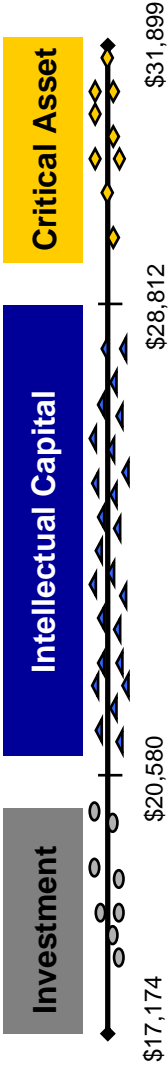


YL-0081-1

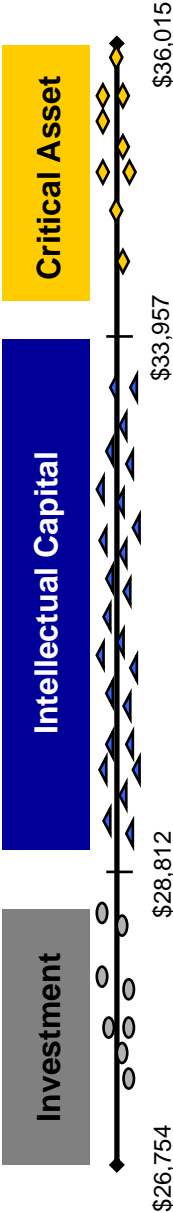
Firefighters, Protection Inspectors

| | | |
|-----------------|-----------------------------|-----------------|
| \$17,174 | Fire Protection YL 1 | \$39,161 |
|-----------------|-----------------------------|-----------------|

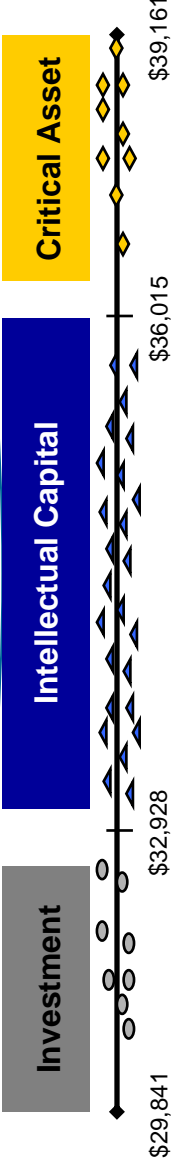
Salary Range 1: Basic firefighter skills & knowledge sufficient to participate in fires & rescues with guidance.



Salary Range 2: Fight structural and/or airfield fires of low to moderate difficulty & perform rescues.



Salary Range 3: Hazard material first responder. Fights fires at activities where work requires use of experimental fuels, explosives, gases or chemicals. Performs crash/rescues at airfields handling large/complex aircraft. Fire Protection Inspector at installations with low to moderate hazards & potential for severity of fires.



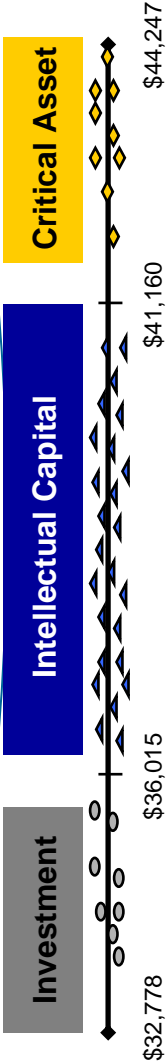
Base Salary ranges, excluding
Local Market Supplements (LMS)

YL-0081-2

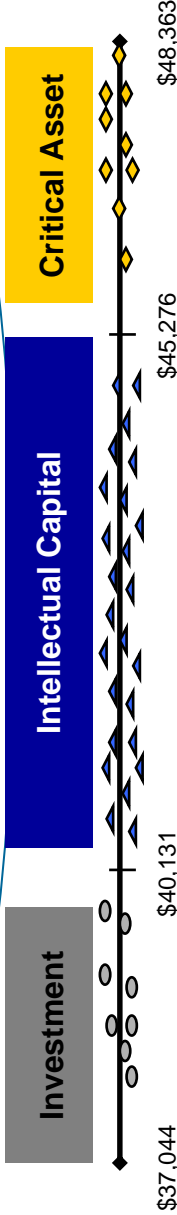
Firefighters, Protection Inspectors

| | | |
|----------|----------------------|----------|
| \$32,778 | Fire Protection YL 2 | \$58,622 |
|----------|----------------------|----------|

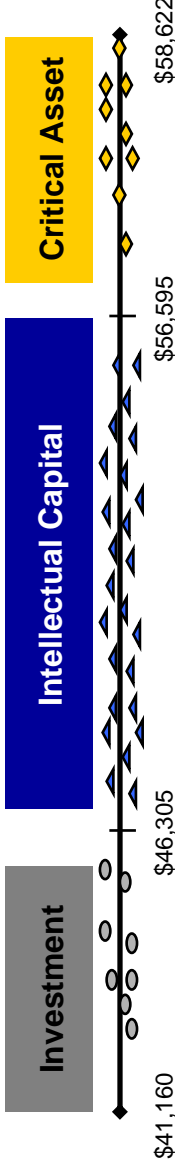
Salary Range 1: Shipboard firefighters. Firefighter (Hazardous Material Operations). assess, reduce, contain releases of hazardous materials. Fire Protection Inspector at installations where degree of hazards & potential severity of fires are moderate.



Salary Range 2: Firefighter (Basic Life Support). Firefighter (Hazardous Material Technician) contains the hazardous material leak & identifies need for special evacuation. Fire Protection Inspector where hazards are difficult to recognize & requires advanced/innovative methods to reduce/eliminate.



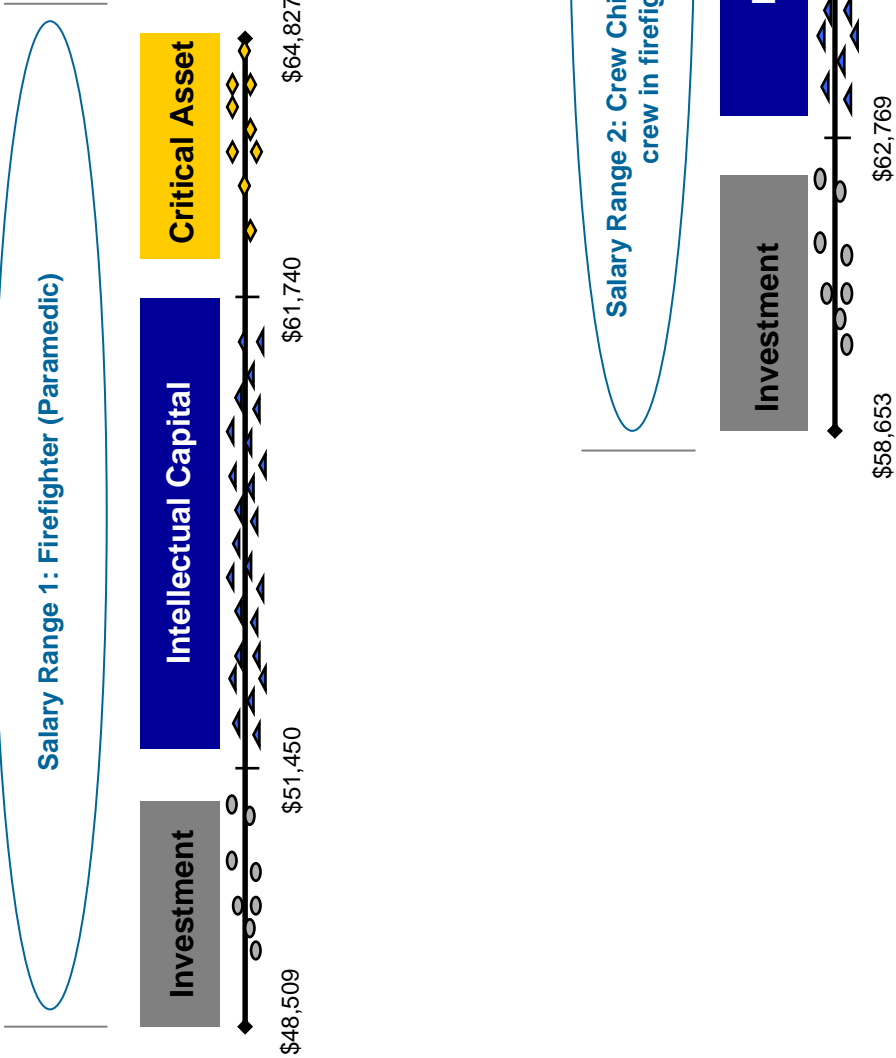
Salary Range 3: Firefighter (Intermediate Life Support). Senior/advanced Fire Protection Inspector performing all duties & developing/giving training & coordinating fire watch programs.



Base Salary ranges, excluding
Local Market Supplements (LMS)

Firefighters, Protection Inspectors

| | | |
|----------|----------------------|----------|
| \$48,509 | Fire Protection YL 3 | \$77,194 |
|----------|----------------------|----------|

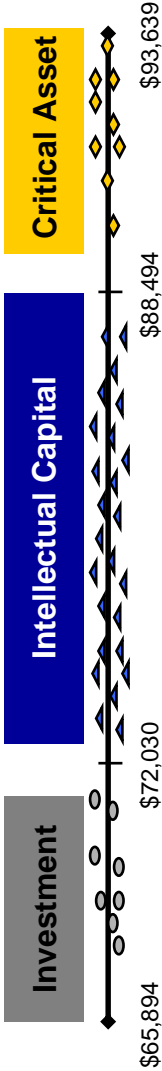


YL-0081-4

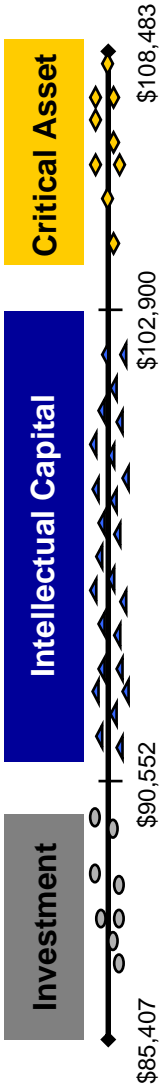
Firefighters, Protection Inspectors

| | | |
|-----------------|-----------------------------|------------------|
| \$65,894 | Fire Protection YL 4 | \$108,483 |
|-----------------|-----------------------------|------------------|

Salary Range 1: Expert firefighter or inspector at the major command or DON level responsible for complex programs and operations impacting organization-wide.



Salary Range 2: Serves as a project/program manager responsible for evaluating the efficiency & effectiveness of firefighting & protection programs throughout the DON.

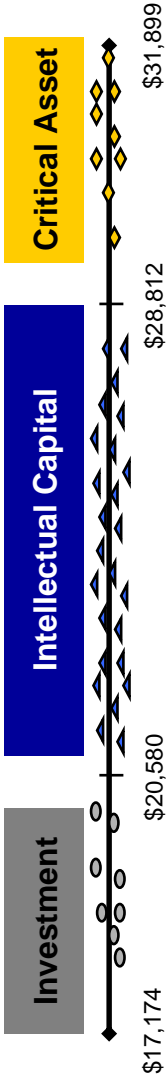


YM-0083-01

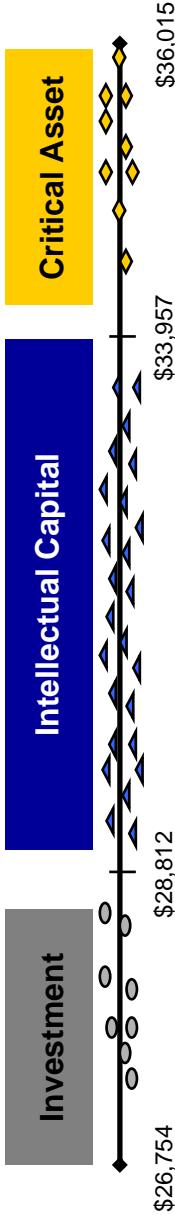
Police Officers and Detectives

| | | |
|-----------------|-----------------------------|-----------------|
| \$17,174 | Police Officers YM 1 | \$39,161 |
|-----------------|-----------------------------|-----------------|

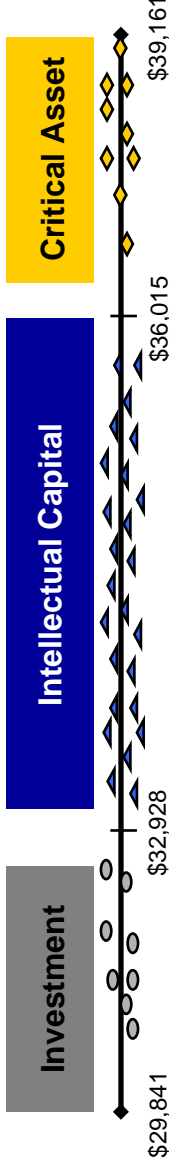
Salary Range 1: Performs routine assignment &/or assists more experience personnel using knowledge gained on the job or through a formal training program.



Salary Range 2: Independently performs routine assignments using knowledge of established legal authorities & regulations.



Salary Range 3: Uses knowledge of laws & regulations to perform assignments involving more serious/complex incidents.



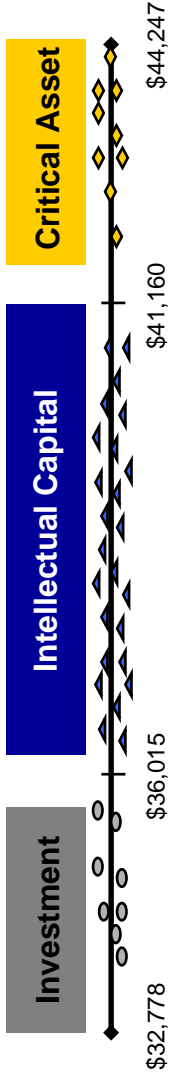
Base Salary ranges, excluding
Local Market Supplements (LMS)

YM-0083-02

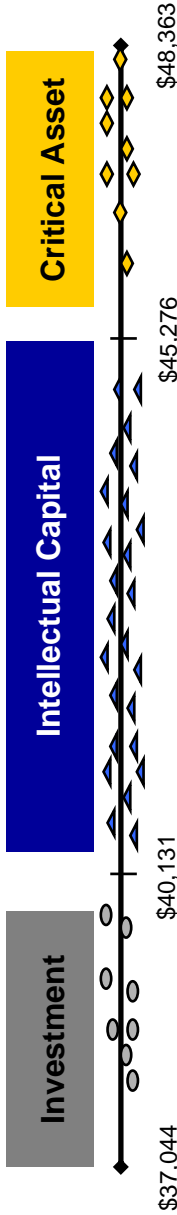
Police Officers and Detectives

| | | |
|-----------------|-----------------------------|-----------------|
| \$32,778 | Police Officers YM 2 | \$58,622 |
|-----------------|-----------------------------|-----------------|

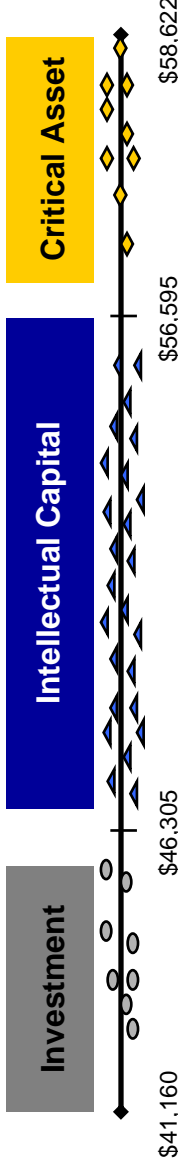
Salary Range 1: Assignments are of a nature that include offenses such as felonies & capital crimes that requires considerable training & experience



Salary Range 2: Performs complex assignments requiring long-term investigations, stakeouts & innovative investigative techniques.



Salary Range 3: Assignments necessitate advanced skills; e.g., developing informants, coordinating with other law enforcement agencies. Results of work may affect operating procedures.



Base Salary ranges, excluding
Local Market Supplements (LMS)

This pay setting worksheet will be used to document all pay determination. Major commands are free to develop and attach addendums such as worksheets, checklists, etc.

NSPS Pay Setting Worksheet

| Candidate Information | NSPS Job Information (To Be Filled) |
|--------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| Name: | Location: NSPS Position Title: |
| Current Job Title: | NSPS Pay Schedule/Occupation Code /Pay Band: Former GS-Grade & Series or Equivalent: |
| Current NSPS Pay Schedule & Pay Band OR GS-Series-Grade (if applicable): | NSPS Salary Range: Target Level Salary Range: |

- ☐ **New Hire** Pay will be set in accordance with DON compensation models. In the absence of applicable models, new-hire pay may be set no higher than Step 1 of the former GS-grade equivalent plus 30.0% (up to the pay band maximum rate of pay)
Salary Range: _____
- ☐ **Promotion** _____ Between 6.0% and 20.0% in accordance with DON guidance.
- ☐ **Reassignment/Reduction in Pay Band**
- Voluntary Either 1) Any decrease amount but no less than the NSPS Pay Band minimum OR 2) Any increase between 0% and 5.0% but not to exceed the NSPS Pay Band maximum (employee cannot receive more than 5% increase in a 12 month period unless an exception is granted))
 - Management-Directed Between 0% and 5.0% for each action, not to exceed the NSPS Pay Band maximum (reassignment only)
 - Involuntary Decrease between 10.0% and 0%, but no less than the NSPS Pay Band minimum (employee cannot receive more than 10% reduction in pay in a 12 month period unless a larger reduction is needed to place employee at the maximum rate of the lower band)

Date of last reassignment: (if applicable) _____ % of Decrease: _____

SALARY INFORMATION: Candidate's Current Salary, Internal Salary Analyses, Proposed Salary

Use the Pay-Setting Guidance above (See Manager's Guide for more detailed information). Complete the entire Worksheet before determining the appropriate "Proposed Salary" to ensure a thorough comparison with all relevant pay-setting factors.

| Candidate's Current Salary | Internal Salary Data of Incumbent(s) in Same or Similar Position(s) ¹ | PROPOSED SALARY (including Local Market Supplement) |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Total Annual Salary: Base Salary: Locality Pay: Exclude Bonuses, Awards, Lump-Sums Amounts) Years of Relevant Experience: | BASE PAY DATA Avg. Salary: Number of Incumbents: Highest Salary: Avg. Years in Position: | New NSPS (Total) Salary: New Base Salary: New Local Market Supplement: Is Salary Offer Within: - Unit/Org/Dept Salary Budget? - Pay-Setting Guidance? ² |
| For External, Non-Federal, New-Hire Candidates Only Prior to Committing to a Proposed Salary, Factor in the "Total R Perspective" and/or the use of any Recruitment Bonus or Relocation Bonus. | | Was the "Total R Perspective" Considered and Emphasized, Especially the Value of FEHB, Leave Programs, etc? If This Salary Offer Includes any Recruitment or Relocation Bonus, Indicate the Amount(s): - Recruitment Bonus: \$ _____ - Relocation Bonus: - Total Bonus: \$ _____ |

(1) Unit or Organization Average Salary - Obtain from your Admin, if needed.

(2) If the "Proposed Salary" is not within the Pay-Setting Guidelines, complete the "Pay Factors Justification" section on page 2.

ASSESS the CANDIDATE'S JOB-RELATED EXPERIENCE, TRAINING, AND SKILL/COMPETENCY

Indicate the Candidate's:

Education Level and/or Degrees: _____ Years of Relevant Experience: _____

List Relevant Training (Licenses, Certifications, etc): _____

Place an "X" in the Appropriate Level of Job-Related Experience, Training, and Skill Levels/Competencies of the Candidate. Consider the full-range of the Candidate's breadth, depth, and scope of relevant job duties, responsibilities, and complexity.

| Candidate's Employment History Indicates | Experience | Training | Competencies (Knowledge, Skills, Abilities) | Breadth, Depth, and Scope of Relevant Job Experience |
|-----------------------------------------------------------------------|------------|----------|---------------------------------------------------|------------------------------------------------------------|
| Meets Minimum Position Levels | | | | |
| Exceeds Minimum Position Levels | | | | |
| Prior Direct Experience, Can "Hit the ground running" | | | | |
| Possesses Unique Skills Critical to Unit/Agency/Department (Identify) | | | | |

IF PROPOSED SALARY IS NOT WITHIN GUIDELINES

Check only those pay factors that were considered in reaching this pay decision and provide appropriate justification.

| Pay Factors | Notation on salary determination; |
|----------------------------------------------------------|-----------------------------------|
| <input type="checkbox"/> Critical Agency Business Need | |
| <input type="checkbox"/> Current Salary / Salary History | |
| <input type="checkbox"/> Relevant Work Experience | |
| <input type="checkbox"/> Education Levels | |
| <input type="checkbox"/> Training | |
| <input type="checkbox"/> Competencies | |
| <input type="checkbox"/> Use of Any/All of the "3 R's" | |
| <input type="checkbox"/> Other (Describe) | |

Recommending Official:

Printed Name Signature Date

Budget Approval:

☐ Concur
☐ Disapproved (please specify reason):

Printed Name Signature Date

Approving Official:

☐ Concur with recommended salary package
☐ Alternate salary package approved (please specify below)
☐ Alternate salary package requested for higher level review/approval (Please specify below)
ALTERNATE SALARY PACKAGE:

New NSPS Salary + Incentive (if applicable) = Total Salary package

Printed Name Signature Date

Higher level approval (if required):

☐ Concur
☐ Disapproved (please specify reason)

Printed Name Signature Date

Appendix E

Benefits Information brochures can be accessed via <https://donhr.navy.mil/Employees/benefits.asp>